TEXAS BUSINESS REVIEW

A Monthly Summary of Business and Economic Conditions in Texas

BUREAU OF BUSINESS RESEARCH : THE UNIVERSITY OF TEXAS

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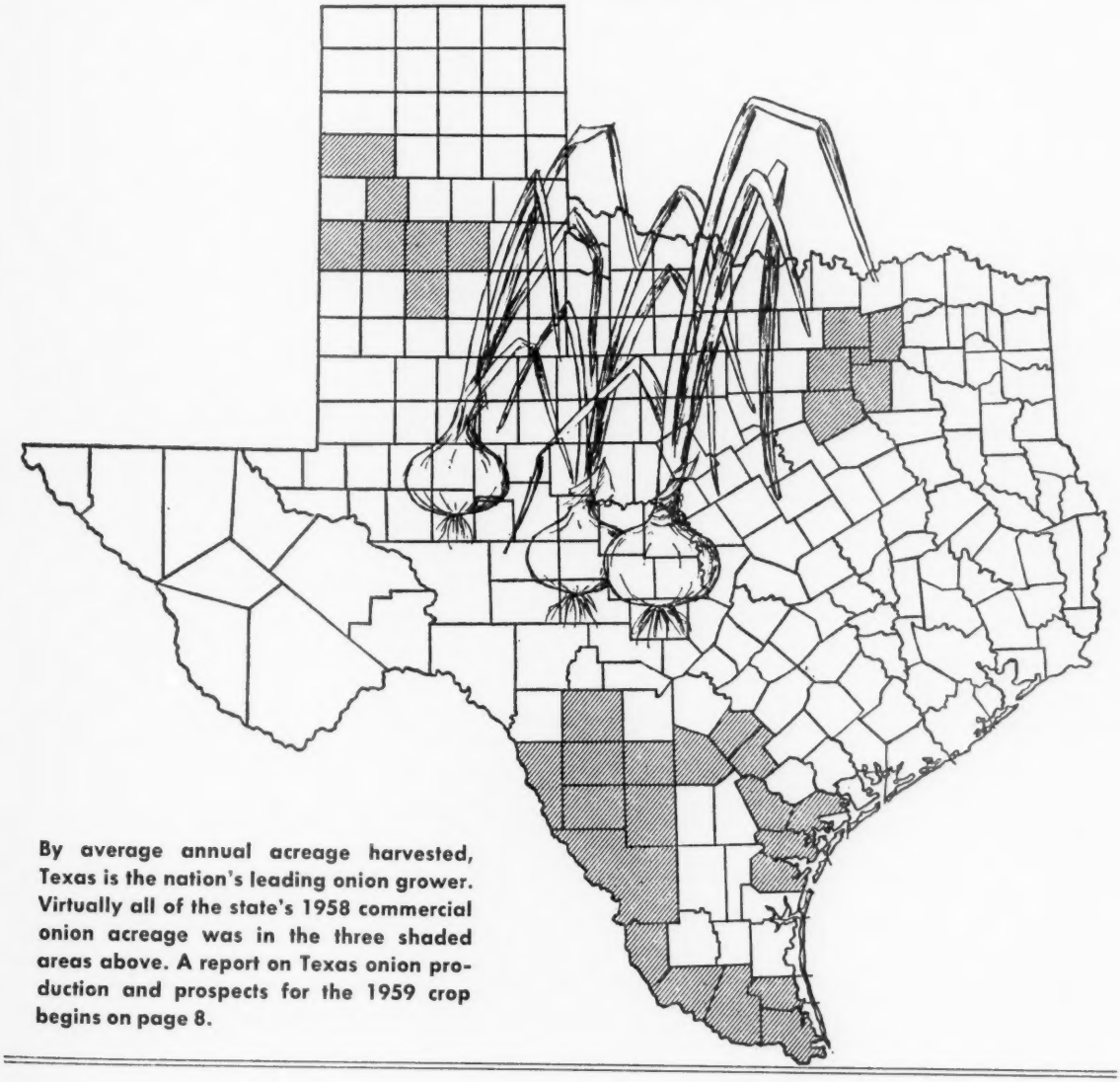
Texas--Major Onion Grower



By average annual acreage harvested, Texas is the nation's leading onion grower. Virtually all of the state's 1958 commercial onion acreage was in the three shaded areas above. A report on Texas onion production and prospects for the 1959 crop begins on page 8.

The Business Situation in Texas

By FRANCIS B. MAY

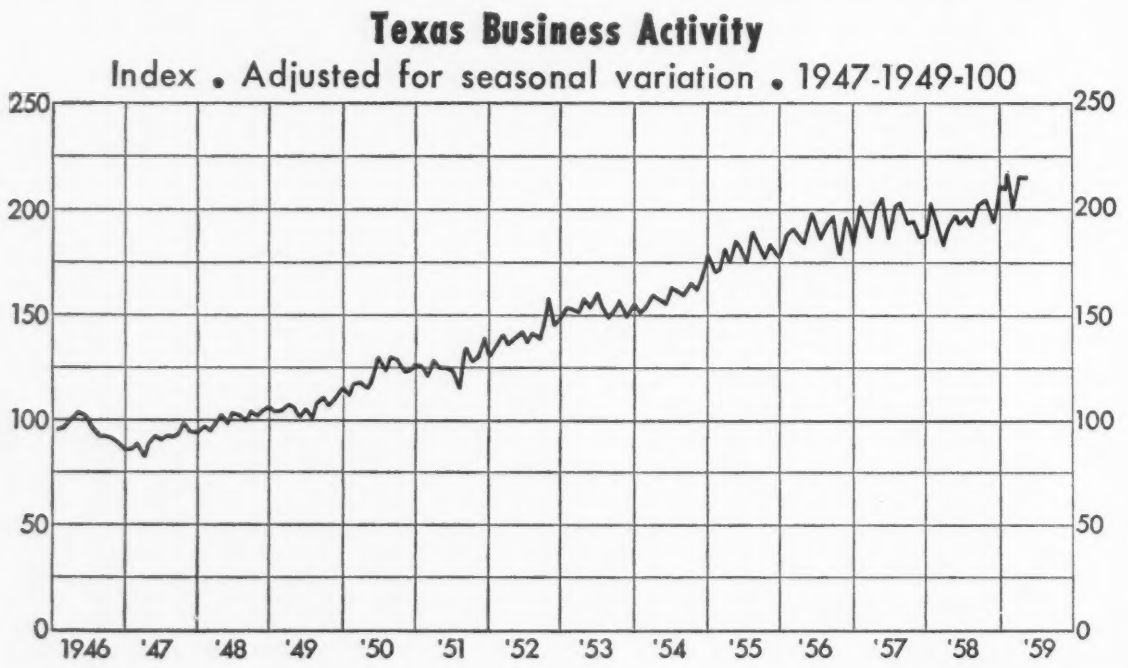
The seasonally adjusted Index of Texas Business Activity in May continued at the record high value of 216% of the 1947–49 average established in April. At this level it was 10% above the May 1958 level and 19% above the recession low point of 193. This performance of the state's economy is encouraging. It has been accomplished despite the sluggishness of the vital oil industry. During the fifteen months since the low point of the 1957–58 recession, other sectors of the Texas economy have made an excellent recovery, as shown by this index of over-all economic activity.

Miscellaneous freight carloadings in May rose 1% above April, after allowing for seasonal factors. The index was 14% above May of last year. At 88% of the 1947–49 average, the index was at its highest level since January 1957. The current value is 16% above its recession low of 76. One of the surprising things about the current business recovery has been the resurgence of the railroads. They have shown a vitality hardly to be anticipated in an industry which has been beset by competitive difficulties, high costs, loss of passenger traffic over a long period, and financial problems in a high-cost money market. Recently the railroads have come forward with plans for selling their services that are obviously improving their competitive position. Piggy-back hauling of truck trailers on flat cars, discounts in return for being given all of the freight of a firm, and other innovations in merchandising rail transportation services are having a definitely positive effect on the economic prospects of the railroads.

Crude petroleum production in May, seasonally adjusted, was at a rate of 127% of the 1947–49 average value. This was a 6% increase over the April volume of production and 30% above May of 1958. It was a welcome advance to a level of activity substantially above the recession low of 97% of the 1947–49 base period value. It was also the highest value for the index since June of 1957. There was an almost uninterrupted decline in the index from the all-time high of 146% registered in March 1957, when Texas oil fields were opened up in order to supply the European deficiency in crude resulting from the closing of the Suez Canal, until April of 1958, when the index fell to 97%. Since April of last year, the index has risen to its current value. Most of the rise took place in the last half of 1958. In December the index reached 124. Since that time it has risen in three months and declined twice for a net gain of 2.4% in May over last December.

The increase in May over April was due to an increase in the allowable from 11 producing days in April to 12 in May. June production was subsequently reduced to 10 days. The July allowable is 9 days. Monthly allowables in days for the year to date are as follows: January, 12; February, 11; March, 12; April, 11; May, 12; June, 10; July, 9. The July allowable is just one day larger than the extreme low allowables of 8 days each in April and May of last year.

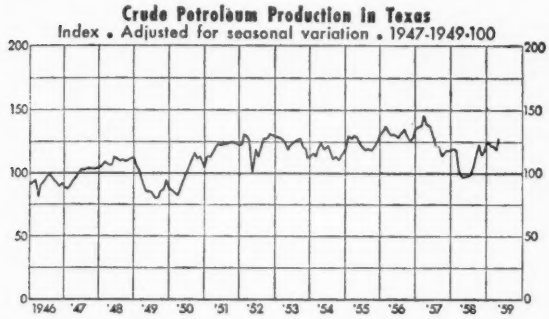
The reductions in allowable for June and July will cause the index to drift downward. One aspect of the economically blighting effect of these low producing levels is their effect on producer's ability to recover their costs. Average daily production per well in the state in 1958 was 13.8 barrels. This average includes production from 65,000 stripper wells averaging about 4 barrels production



a day. Removal of the stripper wells from the analysis gives an average daily production per well in 1958 of 18.9 barrels for the 122,000 nonstripper wells. The pay-out period on the producer's investment is not a short one under these conditions. Attracting new capital into drilling and producing is not easy. The inevitable decline in new investment in this area will lower the potential for economic growth of the state. New industries to attract new capital will offset this, provided they can be brought to this area.

Crude oil runs to stills in May rose 5% above April, after allowing for seasonal factors. At 155% of the 1947–49 average the index was at its highest point since June of 1956, when it registered the same rate of activity. June of 1956 was a historical high point. Thus the index has returned to its highest level after remaining below that value for almost three years. It is 22% above the May 1958 level.

Current excessive inventories of gasoline due to the high rate of refinery operations and failure of demand to

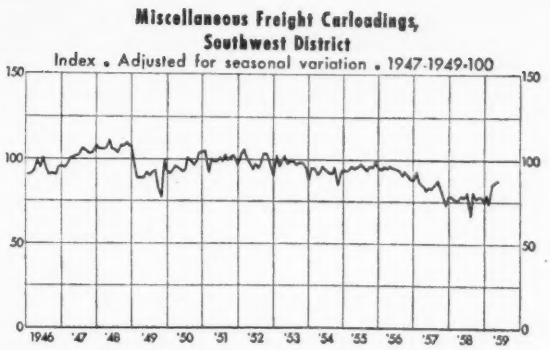

Crude Petroleum Production in Texas
Index • Adjusted for seasonal variation • 1947-1949-100
200
150
100
50
0
1946 '47 '48 '49 '50 '51 '52 '53 '54 '55 '56 '57 '58 '59

improve sufficiently are responsible for the reduction in crude allowables for the state. There has been a noticeable weakness in gasoline prices recently as a result of surplus inventories. Thin refiner's profit margins have aroused fears of the price weakness extending back to the wellhead.

Total electric power consumption in May rose 3% over April after seasonal adjustment. Industrial consumption of electric power rose 2%. The strong upward trend in utilization of electric power for air conditioning homes and business establishments accounts in part for the greater rise in over-all consumption. Increasing industrial power consumption is due to continued revival in industrial activity plus more use of power as a result of increased oil production.

Both indexes of power utilization show large gains over May of last year. Total power use was up 19%. Industrial power use was up 23%. This is encouraging evidence of the strength of industrial recovery in the state since last year.

Sales of ordinary life insurance in May dropped 1% from the April rate of activity, after seasonal factors are taken into account. The index seems to have lost a little momentum in the last four months. It has not reached its January value of 404% of the 1947–49 base value in any subsequent month. Changed consumer saving habits because of the business revival have been the source of this difficulty. Concern over the effect of inflation on long-term savings contracts has also undoubtedly had an inhibitory effect. The stage is set for the entrance of variable annuities.



Seasonally adjusted total retail sales in May were up 4% over April. They were 3% above May of last year. The month-to-month increase was due primarily to improvement in sales of consumer's nondurable goods, which rose 6% over April. May sales of nondurables were strongest for apparel stores, drug stores, general merchandise stores, florists, and jewelry stores.

Sales of durables in May had a greater than seasonal rise of 1% over April. Automotive stores, motor vehicle dealers, furniture and household goods merchandisers, and hardware stores all had good sales for the month. The large volume of building permits issued earlier in the year has quickened sales of home furnishings, now that these homes are being completed.

May retail sales for the nation were $18.3 billion, up 2% over April, after seasonal adjustment. Factors contributing to the high volume of retail sales in both state and nation are, first, high incomes. The seasonally adjusted estimate of personal income for the United States in May was $376.2 billion, another record high. This figure is an annual rate of income, i.e., a monthly figure is multiplied by 12 to put it on an annual basis. Personal income has risen to a new high every month of this year. Optimism over a continuation of high earning power is causing spending to increase as income goes up. The ever-growing

SELECTED BAROMETERS OF TEXAS BUSINESS

Index	May 1959	Apr 1959	May 1958	Percent change: May 1959 from Apr 1959	Percent change: May 1959 from May 1958
Texas Business Activity	216	216	197	**	+ 10
Miscellaneous freight carloadings in S.W. district	88	87	77	+ 1	+ 14
Crude petroleum production	127*	120	98	+ 6	+ 30
Crude oil runs to stills	155	148	127	+ 5	+ 22
Total electric power consumption	376*	364*	315	+ 3	+ 19
Industrial electric power consumption	395*	386*	321	+ 2	+ 23
Bank debits	259	259	235	**	+ 10
Ordinary life insurance sales	393	398	346	— 1	+ 14
Total retail sales	220*	212r	219	+ 4	+ 3
Durable-goods sales	184*	183r	155	+ 1	+ 19
Nondurable-goods sales	240*	227r	245	+ 6	— 2
Urban building permits issued	242*	252*	235	— 4	+ 3
Residential	256*	301*	258	— 15	— 1
Nonresidential	244*	202*	224	+ 21	+ 9

Adjusted for seasonal variation, except annual averages and farm cash income.

* Preliminary.

r Revised.

** Change is less than one-half of one percent.

group of teenagers in the country is a source of a growing demand similar in volume but different in needs from the boom in baby goods that has been with us since 1946. Soon the teenagers will be adults and another, larger, wave of home building will result. And so on into the "scientific sixties" when those of us not on our way to some nearby galaxy will be living on an ever-higher plane of material well-being on Earth.

After a rise of 7% in April, urban building permits issued in May dropped 4%, after allowing for seasonal factors. The index, at 242% of the 1947–49 average, was 3% above May of last year. Residential permits were the cause of the decline. After bounding upward 10% in April, they sagged 15% in May to a level of 256% of the 1947–49 average. At this value the index was 1% below its May 1958 level.

Nonresidential permits were up 21% in May over April, after seasonal adjustment. It was this strong increase in commercial building permits that held the over-all index to a 4% drop below April. The 9% year-to-year increase in the May rate of commercial permit issuance held the index of total permits above the May 1958 level.

At 242% of the 1947–49 average, May permits were still at a level exceeded by only a few months in the history of this index. The average value of this index for the first five months of this year (238) is 14% above the average value (208) for the first five months of 1958. Much of this increase has been due to an improvement in the rate of home building.

Business activity in the state for the first five months of the year has been better than anyone would have forecast in May of last year. With the exception of the oil producers, all lines of activity are in good condition. The problems of the oil industry are not going to be solved quickly or easily. Growth in demand as time passes will gradually ease conditions. A complete return to the easy boom times of the past seems unlikely.

REVENUE RECEIPTS OF THE STATE COMPTROLLER

Source: State Comptroller of Public Accounts

Account	September 1–May 31 1958–59	1957–58	Percent change
TOTAL	$896,197,798	$782,474,195	+ 11
Ad valorem, inheritance, and poll taxes	42,244,637	44,597,460	— 5
Natural and casinghead gas production taxes	35,688,747	32,716,513	+ 9
Crude oil production taxes	103,855,173	100,582,410	+ 3
Other gross receipts and production taxes	16,689,055	16,511,291	+ 1
Insurance companies and other occupation taxes	28,860,667	26,544,665	+ 9
Motor fuel taxes (net)	131,216,060	124,433,535	+ 5
Cigarette tax and licenses	37,459,556	35,186,699	+ 6
Alcoholic beverage taxes and licenses	24,143,046	23,599,093	+ 2
Automobile and other sales taxes	16,564,717	16,925,846	— 2
All licenses and fees	27,079,948	26,294,962	+ 3
Franchise taxes	38,183,783	37,381,712	+ 2
Mineral leases, land sales, rentals and bonuses	15,209,180	12,717,512	+ 20
Oil and gas royalties	23,493,241	21,316,515	+ 10
Interest earned	19,254,376	21,101,963	— 9
Unclassified receipts	64,493,913	54,550,081	+ 18
Other miscellaneous revenue	8,595,383	6,959,444	+ 23
Federal aid for highways	117,350,176	72,884,968	+ 61
Federal aid for public welfare	103,928,903	92,908,643	+ 12
Other federal aid	16,504,977	13,402,312	+ 23
Donations and grants	382,260	1,858,571	— 79

TEXAS BUSINESS REVIEW

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Retail Trade:

SALES INDEX REACHES NEW HIGH IN MAY

By TINA PIEDRAHITA

Dollar sales. Total retail sales in Texas for May 1959 were estimated at $1,182.4 million, 7% above April 1959 and 3% ahead of May 1958. For January-May 1959 retail sales ($5,311.5 million) were 7% above the same period a year earlier.

May durable goods sales ($351.2 million) bettered April 1959 by 9%, topped May 1958 by 19%, and were 18% ahead of January-May 1958. Mother's Day helped boost nondurable goods sales 6% above the preceding April. However, a 2% decline in sales of nondurables from May 1958 forced down the cumulative nondurable record from the 4% increase reported for January-April 1959 to a 3% improvement for the five-month period.

ESTIMATES OF TOTAL RETAIL SALES

(Unadjusted for seasonal variation)

Type of store	May 1959	Jan-May 1959	Percent change: May 1959 from Apr 1959	May 1959 from May 1958	Jan-May 1959 from Jan-May 1958
	Millions of dollars				
Total	1,182.4	5,311.5	+ 7	+ 3	+ 7
Durable Goods*	351.2	1,546.7	+ 9	+ 19	+ 18
Nondurable goods	831.2	3,764.8	+ 6	— 2	+ 3

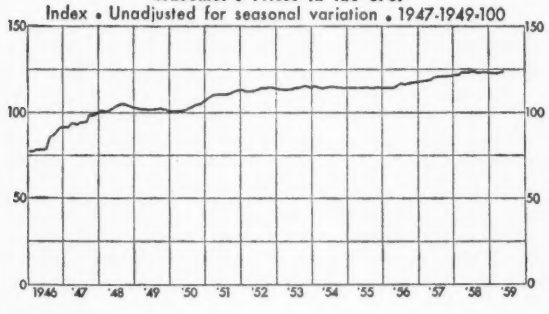
* Contains automotive stores, furniture stores, and lumber, building material and hardware stores.

Because of the over-all sales increases so far this year among both durable and nondurable goods stores, total 1959 retail sales (based on the seasonally adjusted sales for the first five months) are estimated to reach $13.243 billion, up $1.008 billion or 8% from the 1958 amount.

May indexes. Adjusted for seasonal variation (1947–49=100), the preliminary index of total retail sales in Texas reached a new high (220) in May, up 8 points from the revised April 1959 index and 18 points above the average month for 1958. The durable goods index (184) was only one point above April 1959 but showed a 24-point increase from the average month in 1958. The nondurable goods index (240) was 13 points above April 1959 and 32 points above the 1958 average. Deflated for price changes, the May index of total retail sales (187) in the state was 12 points above the index reported for the preceding April.

Consumer's Prices in the U. S.

Index • Unadjusted for seasonal variation • 1947-1949=100



Sales by store types. Except for women's ready-to-wear stores (−6%), unclassified apparel stores and gasoline and service stations (each −1%), May sales by both durable and nondurable goods stores showed gains over April 1959 ranging from 1% to 41%. For the same period sales by automotive stores were up 10% (compared with an 8% normal seasonal gain). Although lumber, building material dealers, and hardware stores reported a 1% increase in sales for May 1959 over April 1959, the expected normal seasonal percent change was +6%. Furniture and household appliance stores reported an 11% sales increase, but here also the normal seasonal increase for the same period was substantially higher (+15%).

RETAIL SALES TRENDS BY KINDS OF BUSINESS

Source: Bureau of Business Research in cooperation with the Bureau of the Census, U. S. Department of Commerce

Kind of business	Number of reporting establishments	Percent change: Normal seasonal* May '59 from April '59	Normal seasonal* May '59 from April '59	Actual May '59 from May '58	Actual Jan-May '59 from Jan-May '58
DURABLE GOODS					
Automotive stores***	286	+ 8	+ 10	+ 28	+ 20
Furniture & household appliance stores	161	+ 15	+ 11	+ 7	+ 11
Lumber, building material, and hardware stores	283	+ 6	+ 1	+ 8	+ 13
NONDURABLE GOODS					
Apparel stores	209	**	+ 4	— 2	+ 4
Drug stores	170	+ 2	+ 8	+ 5	+ 5
Eating and drinking places***	94	+ 4	+ 8	+ 5	+ 5
Food stores***	237	+ 2	+ 3	— 6	— 2
Gasoline and service stations	857	+ 3	— 1	— 6	+ 5
General merchandise stores***	164	+ 5	+ 20	+ 2	+ [illegible]
Other retail stores***	223	+ 5	+ 16	+ 6	+ 10

* Average seasonal change from preceding month to current month.
** Change is less than one-half of one percent.
*** Includes kinds of business other than classifications listed.

Apparel stores reported a marked sales improvement over the preceding month (+4%), though ordinarily there is virtually no change in such sales from April to May. Drug stores reported an 8% sales increase from April; the normal seasonal improvement is a considerably smaller 2%.

Except for farm implement dealers (−15% from May 1958), sales by durable goods stores bettered both May 1958 and January-May 1958. Largest increases over May 1958 were reported by motor vehicle dealers (+24%) and lumber and building material dealers (+10%). Best showings for January-May 1959 were reported by the same two categories—motor vehicle dealers (+20%) and lumber and building material dealers (+15%).

Sales declines from May 1958 for nondurable goods stores ranged from 1% reported by restaurants to 9% reported by family clothing stores. Best increases for the same period were reported by office, store, and school supply dealers (+15%); liquor stores (+9%); jewelry stores (+7%); and men's and boys' clothing stores and florists (each +5%). For January-May 1959 sales de-

clines from the same period a year earlier were reported by food stores (−2%) and country general stores (−4%). Sales increases ranged from 1% to 12%. Best showings were made by office, store, and school supply dealers (+12%); jewelry stores (+9%); liquor stores (+8%); and shoe stores, department stores, and florists (each +6%).

Volume of department and apparel stores. May sales of Texas department and apparel stores were 11% above April 1959, were unchanged from May 1958, and were 5% ahead of January-May 1958.

Sales by department and apparel stores in 28 of the 31 reporting cities showed gains over the preceding month. Corpus Christi (−3%), and Paris (−1%) were the cities reporting sales declines. Highest increases were reported by Port Arthur (+39%); Lockhart, Marshall, and Waco (each +34%); Henderson and Temple (each +26%); and Texarkana (+25%).

Sales declines from May 1958 in 11 of the reporting cities ranged from −2% to −11%. Substantial increases for the same period were posted by Lubbock (+15%); Greenville (+12%); Edinburg, Marshall, and McAllen (each +10%); Austin (+7%); and San Angelo (+6%). In the cumulative comparison 23 cities bettered January-May 1958. Best gains were made by Lubbock (+22%); Amarillo and San Angelo (each +14%); Marshall (+12%); Big Spring and Temple (each +8%); Austin, Greenville, and Waco (each +7%); Brownwood, Fort Worth, McAllen, and Cleburne (each +6%); and Dallas and San Antonio (each +5%).

Sales by Texas cities. Of the 22 Texas cities reporting enough retailers to permit total retail sales listings, 19 cities were ahead of both April 1959 and May 1958, and 21 cities registered gains over January-May 1958.

With an April-to-May normal seasonal gain in total retail sales of about 4%, greater than normal sales increases were reported by Waco (+23%), Corpus Christi (+18%), Wichita Falls (+17%), Beaumont (+16%), Galveston (+15%), Victoria (+14%), Austin (+13%), Bryan (+12%), and San Antonio (+11%). Among the 19 cities reporting increases over May 1958, leaders were Brownsville (+60%), Brownwood (+50%), Corpus Christi (+38%), Amarillo (+25%), Texarkana (+23%), Lubbock (+22%), Henderson (+18%), Waco (+17%), Plainview (+16%), Victoria (+13%), Austin (+12%), and Wichita Falls (+10%).

Leaders in the January-May periods of comparison were Plainview (+59%), Brownsville (+35%), Texarkana (+33%), Lubbock (+30%), Amarillo (+24%), Austin (+14%), and Wichita Falls (+13%).

High percentage increases in total retail sales for most of the reporting cities can be attributed to the substantial increases in sales by durable goods stores. In the May-to-May comparison, sales by automotive stores showed a +60% improvement in Corpus Christi, +46% in Amarillo, +34% in Waco, and +31% in Texarkana. Furniture and household appliance stores sales were +67% in Brownwood, +36% in Amarillo, +28% in Lubbock, +27% in San Antonio, and +24% in Waco. Lumber, building materials, and hardware stores reported increases in Henderson (+70%), Brownsville (+19%), Wichita Falls (+17%), and Austin (+14%).

Credit and collection ratios. The ratio of credit sales to total net sales in 65 Texas department and apparel stores (67.5%) fell 1.9 points from April 1959 and was 0.3 points below May 1958. Highest credit sales were made in Dallas (78.2%), San Antonio (71.2%), Galveston (69.4%), and Houston (66.7%). By type of store, leaders were dry goods and apparel stores (75.7%) and men's clothing stores (70.0%).

The ratio of collections during the month of May to accounts unpaid at the first of the month was 35.5%, or 0.6 points above April 1959 but 1.0 points below May 1958. By cities, highest ratios were reported in Austin (50.3%) and Cleburne (48.7%). By type of store, dry goods and apparel stores (57.3%) and department stores with sales under $1 million (48.0%) showed highest collection ratios. Improvements over May 1958 collections were made in Cleburne, Fort Worth and Galveston.

CREDIT RATIOS IN DEPARTMENT AND APPAREL STORES

Classification	Number of reporting stores	Credit ratios*		Collection ratios**	
		May 1959	May 1958	May 1959	May 1958
ALL STORES	65	67.5	67.8	35.5	36.5
BY CITIES					
Austin	6	62.8	64.4	50.3	53.8
Bryan	3	61.6	64.9	43.0	45.2
Cleburne	3	45.3	40.1	48.7	48.4
Dallas	6	78.2	77.8	39.0	41.9
El Paso	3	59.0	60.3	28.8	29.9
Fort Worth	3	66.4	68.0	32.0	30.2
Galveston	5	69.4	64.7	47.9	43.5
Houston	4	66.7	67.4	32.9	33.0
San Antonio	4	71.2	62.8	41.1	47.0
Waco	5	58.6	60.5	41.1	41.6
BY TYPE OF STORE					
Department stores (over $1 million)	20	68.3	89.4	34.3	34.8
Department stores (under $1 million)	17	43.8	45.9	48.0	48.3
Dry goods and apparel stores	5	75.7	76.5	57.3	57.3
Women's specialty shops	13	67.5	61.9	39.4	43.6
Men's clothing stores	10	70.0	68.2	42.3	48.1
BY VOLUME OF NET SALES					
Over $1,500,000	24	69.0	69.1	35.0	35.9
$500,000 to $1,500,000	14	54.3	55.5	44.9	47.7
$250,000 to $500,000	13	5.8	50.7	48.2	48.5
Less than $250,000	14	46.4	49.8	41.8	44.6

* Credit sales divided by net sales.

** Collections during the month divided by accounts unpaid on the first of the month.

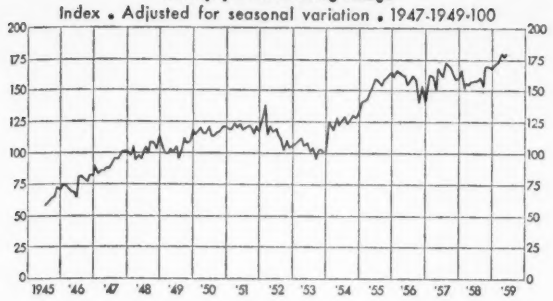
The ratio of charge account sales to total net sales in 16 Texas department and apparel stores (45.8%) fell 0.6 points below April 1959 and 1.5 points below May 1958. The ratio of instalment sales to total net sales (18.3%) trailed April by 0.9 points but was 0.3 points above May 1958. Collections on charge accounts sales (45.3%) were 0.3 points above May 1958, while collections on instalment accounts (17.5%) fell 0.2 points below May 1958.

Secondary trade indicators. Advertising linage in 24 Texas newspapers was 3% above April 1959 and 11% above May 1958. Seventeen newspapers bettered April 1959, and 18 were above May 1958.

Of the 120 Texas cities reporting postal receipts for the May 2-May 29, 1959, period, 59 bettered April 4-May 1, 1959, while 112 were ahead of May 3-May 30, 1958.

Newspaper Advertising Linage

Index • Adjusted for seasonal variation • 1947-1949=100



POSTAL RECEIPTS

City	May 2–May 29 1959	Apr 4–May 1 1959	May 3–May 30 1958	Percent change: May 2–May 29 1959 from Apr 4–May 1 1959	Percent change: May 2–May 29 1959 from May 3–May 30 1958
Alice	$14,219	$13,944	$ 9,874	+ 2	+ 44
Bay City	9,622	10,195	6,653	— 6	+ 45
Borger	20,555	14,650	13,879	+ 40	+ 48
Brownfield	8,064	7,992	4,596	+ 1	+ 75
Cameron	5,959	10,879	6,371	— 45	— 6
Childress	4,678	4,691	3,075	**	+ 52
Cleburne	14,144	13,462	10,005	+ 5	+ 41
Coleman	11,657	5,862	4,463	+ 99	+161
Crystal City	3,092	2,759	2,157	+ 12	+ 43
Cuero	5,559	4,110	3,611	+ 35	+ 54
Del Rio	12,678	12,029	8,558	+ 5	+ 48
Denison	15,430	19,946	11,916	— 23	+ 29
Eagle Pass	6,210	5,723	4,574	+ 9	+ 36
Edna	3,688	4,070	3,612	— 9	+ 2
El Campo	8,758	8,165	6,552	+ 7	+ 34
Gainesville	12,880	12,738	9,586	+ 1	+ 34
Gatesville	3,471	3,943	2,906	— 12	+ 19
Gilmer	4,222	5,981	3,174	— 29	+ 33
Goldthwaite	1,638	1,417	2,142	+ 16	— 24
Granbury	3,758	5,639	3,309	— 33	+ 14
Hale Center	2,786	1,325	1,055	+110	+164
Hillsboro	12,709	5,839	5,143	+118	+147
Huntsville	8,742	7,481	6,502	+ 17	+ 34
Jacksonville	14,499	13,792	12,162	+ 5	+ 19
Kenedy	3,785	3,234	2,482	+ 17	+ 52
Kermit	6,425	6,686	5,093	+ 4	+ 26
Kerrville	10,578	10,233	8,256	+ 3	+ 28
Kingsville	12,717	13,251	10,335	— 4	+ 23
Kirbyville	2,727	2,728	2,575	**	+ 6
La Grange	3,794	4,398	3,099	— 14	+ 22
Levelland	8,288	6,430	5,757	+ 29	+ 44
Littlefield	5,181	4,973	4,323	+ 4	+ 20
Llano	2,390	2,198	1,303	+ 9	+ 83
Lockhart	4,061	3,444	2,535	+ 18	+ 60
McCamey	2,950	2,608	2,508	+ 13	+ 18
Marlin	6,082	6,247	5,050	— 3	+ 20
Mercedes	3,828	6,357	3,546	— 40	+ 8
Mission	8,176	7,610	6,305	+ 7	+ 30
Navasota	4,406	4,925	3,333	— 11	+ 32
Pampa	20,381	21,165	16,795	— 4	+ 21
Pecos	10,740	9,754	7,272	+ 10	+ 48
Pittsburg	2,955	3,036	4,572	— 3	— 35
Sinton	5,325	5,585	3,635	— 5	+ 46
Snyder	11,747*	12,374*	9,877*	— 5	+ 19
Taft	2,493	2,549	1,871	— 2	+ 33
Terrell	4,776	6,288	5,904	— 24	— 19
Waxahachie	9,853	11,259	8,786	— 12	+ 12
Weatherford	8,439	8,815	5,242	— 4	+ 61
Yoakum	10,299	8,546	8,236	+ 21	+ 25

** Change is less than one-half of one percent.
* Calendar month.

ESTIMATES OF NONAGRICULTURAL EMPLOYMENT

Source: Texas Employment Commission in cooperation with the Bureau of Labor Statistics, U. S. Department of Labor

Industry	Employment (thous) May* 1959	Apr† 1959	Jan 1958	Percent change: May 1959 from Apr 1959	Percent change: May 1959 from May 1958
TOTAL NONAGRICULTURAL	2,437.7	2,421.4	2,386.5	+ 1	+ 2
MANUFACTURING	484.2	481.8	472.2	**	+ 3
Durable Goods	232.4	230.8	223.5	+ 1	+ 4
Ordnance	1.7	1.7	1.6	**	+ 6
Lumber and wood products	20.3	20.1	18.8	+ 1	+ 8
Furniture & fixtures	11.2	11.3	10.1	— 1	+ 11
Stone, clay and glass products	23.4	23.2	21.7	+ 1	+ 8
Primary metals	23.7	23.3	20.7	+ 2	+ 14
Fabricated metal products	27.9	27.6	28.3	+ 1	— 1
Machinery (except electrical)	39.8	39.2	37.3	+ 2	+ 7
Electrical equipment	13.9	13.8	10.9	+ 1	+ 28
Transportation equipment	60.7	60.9	64.9	**	— 6
Other durable goods	9.8	9.7	9.2	+ 1	+ 7
Nondurable Goods	251.8	251.0	248.7	**	+ 1
Food	77.7	77.7	76.7	**	+ 1
Textile mill products	7.1	7.1	6.9	**	+ 3
Apparel	32.8	32.7	31.0	**	+ 6
Paper and allied products	9.3	9.2	9.0	+ 1	+ 3
Printing and publishing	28.4	28.5	28.0	**	+ 1
Chemical and allied products	41.7	41.6	42.0	**	— 1
Petroleum products	45.1	44.6	46.4	+ 1	— 3
Leather and leather products	3.7	3.7	3.5	**	+ 6
Other nondurable goods	6.0	5.9	5.2	+ 2	+ 15
NONMANUFACTURING	1,953.5	1,939.6	1,914.3	+ 1	+ 2
Mining	124.7	123.6	125.9	+ 1	— 1
Petroleum and natural gas	117.6	116.5	119.1	+ 1	— 1
Metal, coal, and other mining	7.1	7.1	6.8	**	+ 4
Contract construction	173.4	169.1	159.2	+ 3	+ 9
Transportation and utilities	221.3	220.4	222.1	**	**
Interstate railroads	43.7	43.2	43.3	+ 1	+ 1
Other transportation	97.3	97.0	98.2	**	— 1
Telephone and telegraph	38.6	38.5	39.2	**	— 2
Public utilities	41.7	41.7	41.4	**	+ 1
Government	420.5	420.0	408.1	**	+ 3
Trade	615.1	609.6	605.7	+ 1	+ 2
Wholesale trade	167.2	166.8	165.8	**	+ 1
Retail trade	447.9	442.8	439.9	+ 1	+ 2
Building materials and hardware	38.0	37.0	35.6	+ 3	+ 7
General merchandise	76.4	75.7	76.8	+ 1	— 1
Food and liquor stores	72.6	72.1	70.6	+ 1	+ 3
Automotive stores	77.3	77.4	77.8	**	— 1
Apparel stores	29.1	28.0	28.9	+ 4	+ 1
Other retail trade	154.5	152.6	150.2	+ 1	+ 3
Finance, insurance, and real estate	114.8	114.6	112.8	**	+ 2
Bank and trust companies	29.5	29.4	28.7	**	+ 3
Insurance	49.0	49.1	48.5	**	+ 1
Real estate and finance	36.3	36.1	35.6	+ 1	+ 2
Service and miscellaneous	283.7	282.3	280.5	**	+ 1
Hotels and lodging places	27.5	27.1	26.8	+ 1	+ 3
Laundries and cleaners	35.3	35.1	36.1	+ 1	— 2
Other service and miscellaneous	220.9	220.1	217.6	**	+ 2

* Preliminary.
** Change is less than one-half of one percent.
† Revised.

AGRICULTURE—

Texas--Major Onion Grower

By WALTER GRAY

Onion acreage harvested in Texas usually accounts for about one-third of total U. S. onion acreage harvested. Texas production, however, ordinarily accounts for a much smaller percentage (about 10%) of the national crop—the result primarily of the fact that approximately 50% of the state's onion acreage is nonirrigated. Lower per-acre production, though, is in turn offset in part by premium prices that a portion of Texas onion production regularly commands; spring onions from the Rio Grande Valley and Winter Garden areas are the first of the year's onion crop to be shipped to national markets.

The outlook for Texas onion growers this year, however, is not especially encouraging. The U. S. Department of Agriculture estimated early in May that the state's early spring crop, grown in South Texas, totaled 1,788,000 pounds, 30% below 1958 production and 20% lower than the 1949–57 average. Though acreage harvested (32,500) was 20% greater than in 1958, an unusually low yield per acre (down 75% from last year, and the lowest since 1954) caused a sharp drop in production. A wet planting season followed by cool, damp, cloudy weather during January and February prohibited much-needed field work and retarded plant growth. The Winter Garden and Coastal Bend areas were hardest hit, but blight, thin stands, and small plants were prevalent in all areas of South Texas. To complete the early spring disaster, field work was delayed in most areas by showers in mid-April—the height of the early spring harvest season.

Estimates for the late spring crop, produced in North Texas, indicate that production for that area will total 99,000 pounds (more than 15% below 1958 production). Part of the expected decrease is attributed to delayed planting and lack of onion plants. Transplants for the North and West Texas areas are grown in the Winter Garden area, and the poor weather conditions which prevailed there made it almost impossible to produce an acceptable supply of transplants for North Texas growers. May estimates for the late spring harvest (which will continue through June) indicate a yield per acre for the 3,100 acres being harvested of about 32 cwt. (The acreage harvested will be 33% less than in 1958; yield per acre will be up almost 22%.)*

An estimated 7,700 acres of onion will be harvested in the West Texas area, which produces the early summer crop. If this harvest materializes, the area will realize an increase in acreage harvested almost 40% higher than in 1958. No total production or yield per acre estimates for the area are available, however. Due to the short supply of transplants, much of the West Texas acreage was seeded directly to the fields.

The first Texas onion crop was harvested from the South Texas fields of La Salle County in 1899. The onions from that harvest met with such success on the market that South Texas farmers, enthusiastic over the prospects of a new commercial vegetable crop, were encouraged to increase their onion acreage. After 60 years of onion production, the onion ranks as one of the most important vegetable crops in Texas. Traditionally, the bulk of the state's onion acreage has been cultivated in the fertile soils of South Texas, and production in that area alone made Texas a leading state in annual onion production. Production has flourished on a limited scale in a centralized area of North Texas for a number of years, where soils are not generally suitable for vegetables; the shallow root penetration necessary for onion growth makes it an exception. In recent years farmers in West Texas have turned to vegetable production in order to most profitably utilize acres diverted for various reasons from cotton and grain, and their success with onions has been so great that the area is challenging South Texas for the title of the state's leading onion growing area. With these two irrigated areas vying for the state's onion production leadership, Texas will continue to be a top-ranked state in total volume and dollar value of onion production.

Last year 37,300 acres of onions were harvested in the state's three major onion producing areas. About 27,000 acres of onions were harvested principally from the fields of 19 South Texas counties, 5,600 acres were harvested in 7 counties in West Texas, and the remaining 4,700 acres of the 1958 crop were harvested in 6 counties in North Texas. Although the total of Texas onion acreage harvested last year was down approximately 15% from the 1949–57 average (and down 31% from the 1940–49 average), total volume and dollar value of production exceeded the 1949–57 average by 27% and 20%, respectively. The increase in volume was made possible by increases in per acre production in both South and West Texas. Last year South Texas acreage yielded 2,565,000 pounds of onions—15% above the 1949–57 average for the area. This increase, despite a decrease of about 19% in total acreage harvested, was due to a yield per acre of 95 cwt. (a 47% increase over the 1949–57 average, and the highest for the area in 7 years). Onion production in West Texas last year totaled 1,148,000 pounds. Per acre yield for the area was 205 cwt. (or 115% higher than in South Texas—the highest ever for the area). Only in North Texas did both volume of production and yield per acre fall below the 1949–57 average in 1958. Approximately 118,000 pounds of onions were harvested, or slightly more than 50% below average. Yield per acre for North Texas onion acreage was 25 cwt., a decrease of 25% from the 1949–57 average.

The total dollar value of last year's Texas onion crop was $13,879,000 (an increase of 20% over the 1949–57

* Unfavorable weather in the last half of June, including heavy though scattered rains in both West Texas and the Panhandle, has caused some damage to the early summer onion crop. The extent of the damage is as yet unreported, but production will be somewhat lower than earlier reports indicated.

average). The 20% increase was due primarily to an increase in the average price paid for South Texas onions (that area produced over two-thirds of the state's crop). The average price paid per cwt. for South Texas onions in 1958 was $4.15—about 12% above the 1949–57 average. Total value of South Texas onion sales was $10,645,000 (or 25% above the average, and approximately 77% of the state's total income from onion sales). Prices paid for West Texas onions averaged $2.85, almost 8% below the 1949–57 average. However, due to a 175% increase in production, total value of the 1958 West Texas onion crop was $2,850,000 (an increase of about 85%, and slightly more than 20% of the total value of the state's total income from onion sales). The average price paid for North Texas onions in 1958 was $3.25—a decrease of more than 20%. Total dollar value of North Texas onions for the year was $384,000 (a decrease of 65%, and slightly more than 2% of the state's total income from onion sales).

Texas onions are harvested in three seasons: (1) the early spring season, (2) the late spring season, and (3) the early summer season. The early spring onion crop is grown in three irrigated and two nonirrigated areas of South Texas. Irrigated producing areas in South Texas include (1) the Laredo area (Webb and Zapata counties), (2) the Lower Valley area (Cameron, Hidalgo, Starr, and Willacy counties), and (3) the Winter Garden area (Dimmit, Frio, La Salle, Maverick, Uvalde, and Zavala counties). The nonirrigated onion acreage of South Texas is cultivated in the Coastal Bend area (Bee, Nueces, Refugio, and San Patricio counties) and the Wilson-Karnes area (Atascosa, Karnes, and Wilson counties). Planting in the nonirrigated areas, which is accomplished by seeding directly to the fields, is begun in the latter part of September and continues into December. Transplanting, which is the normal practice in the irrigated areas, is usually underway in the second half of November and continues through December. The early spring onion harvest begins in early March and lasts through May.

The late spring onion crop is produced in North Central Texas (Collin, Dallas, Ellis, Hunt, Kaufman, and Rockwall counties). Transplanting is begun in the early part of January. If weather delays the field work, as is often the case, planting may be continued into March. Harvesting begins late in May, when the last of the early spring onions are being shipped from South Texas. The late spring onion harvest continues through June, at which time the early summer harvest is getting underway in the Panhandle-South Plains area (Bailey, Castro, Deaf Smith, Floyd, Hale, Lubbock, and Lamb counties). The early summer crop is transplanted in March and April and is harvested in June, July, and the first half of August.

As is the case with all other agricultural commodities, onions are susceptible to a variety of growth-affecting variables. For instance, soil conditions, climatic conditions and the effects of infectious diseases or insects all play a part in how well an onion crop fares. Generally, of course, agricultural techniques have been developed to control or eliminate many such threats to crops. The outstanding exception to this generality is climatic conditions—and unfavorable weather is practically unchallenged as the greatest threat to onions. For best growth and bulb formation onions require cool weather early in the growing season with moderately high temperature and relatively low humidity later on for proper ripening. The best root development occurs when the soil temperature ranges from 54° to 68° F. If the soil temperature lingers below 60° F., bulbs will not develop. Above the surface, temperatures ranging from 68° to 70° F. permit the best development of onion tops in most varieties. The length of day required for good onion development depends upon the temperature. Given favorable temperature, the length of day necessary for proper growth will vary for different varieties of onions. All Texas varieties require a minimum of 12 hours of daylight during the growing season.

Onions can be grown in sandy loam, silty loam, clay loam, and alluvial soils. The primary requirements of the soil are a high level of fertility and good structure (so as to retain moisture and plant food elements near the surface). Because the onion is a shallow-rooted plant, it requires a fairly high concentration of plant food elements and moisture in the upper six to eight inches of the soil. To increase the holding capacity of the soil its organic content must be increased, and this is done by turning under green manure. If the fertility level of the soil is low, commercial fertilizers may be applied. The best results from the use of commercial fertilizers are obtained if application is made before the onion crop is planted.

Moisture control is one of the most important factors in onion growing. Normally new roots are formed throughout most of the growing season. These roots, which arise from the stem plate at the base of the onion, will not form unless the plate is in moist soil. If growth is checked by moisture deficiency, even temporarily, the outer scales of the onion will begin to mature. When moisture is again

CARLOAD SHIPMENTS OF FRUIT AND VEGETABLES

Source: Compiled from reports received from Agricultural Marketing Service, U.S. Department of Agriculture

Commodity	January 1–May 31		
	1959	1958	Percent change
TOTAL SHIPMENTS	14,095	19,446	— 28
VEGETABLES	13,461	18,706	— 28
Beets	30	57	— 47
Broccoli	31	46	— 33
Cabbage	1,645	2,761	— 40
Carrots	1,885	5,065	— 63
Cauliflower	118	361	— 67
Corn	148	99	+ 49
Cucumber	21	19	+ 11
Lettuce	161	328	— 51
Onions	3,414	3,595	— 5
Peppers	52	4	+1200
Potatoes	71	15	+373
Radishes	0	1	—100
Spinach	1,156	1,318	— 12
Tomatoes	1,913	1,466	+ 30
Mixed vegetables	2,816	3,571	— 21
FRUIT	546	626	— 13
Cantaloupes	57	98	— 42
Grapefruit	238	238	**
Honeydews	21	27	— 22
Lemons	0	15	—100
Oranges	51	59	— 14
Plums and Prunes	9	.....	.....
Strawberries	2	5	— 60
Watermelons	4	.....	.....
Mixed Citrus	164	184	— 11
ALL OTHERS	88	114	— 23

** Change is less than one-half of one percent.

available, the inner scales will resume growth, causing the onion to split and reducing its quality.

If onions are irrigated, usually five to eight irrigations are sufficient to provide necessary moisture. If the soil is dry at transplanting time, onions are irrigated as soon as possible after being set. Additional irrigations will be determined by the condition of the soil, the amount of rainfall, and the condition of the crop. The frequency of irrigations is usually increased near harvesting time.

To insure continued growth of onions, weeds must be eliminated before they are large enough to consume large quantities of moisture or nutrients. The first weeds which appear after the onions have been planted are often eliminated by burning off the tops of the onion plant beds. This is accomplished by dragging special butane burners mounted on sleds over the onions, killing the weeds as well as any onion cotyledons (seed leaves) which may have appeared. After the first "true leaves" appear this method cannot be used, and weeds must then be eliminated by hand weeding. Hand weeding is a slow and tedious process requiring a large labor force, making weed control one of the major costs of onion production.

Additional sources of damage or destruction to onions are pink root, blight, and thrips. Soils which reach high temperatures are often infested with a fungus which attacks onion roots causing them to turn pink, shrivel, and die. Lighter soils are more susceptible to pink root infestation than darker soils. Once the fungus infests the soil it is difficult to control. If onions must be grown in infested soil, only those varieties which are highly resistant to pink root should be planted. Often such soil is eliminated from onion production for four or five years, during which time it is used for cultivating vegetables which are not susceptible to pink root. Growers must take special care not to use soil in which pink root is established as a plantbed for transplants.

Unfavorable weather causes blight, a parasitic fungus which attacks onion tops, causing them to wither and die. Since little is known about blight, except that it occurs in extremely wet or hot weather, there is not yet an effective means of controlling it. Here again, the onion growers are left at the mercy of climatic conditions. Thrips, which also attack the onion stalks, are the most destructive insect to the onion crop in Texas. Control of these insects requires

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Studies in Marketing, No. 4

by William J. Reilly

Sometime Marketing Specialist and

Associate Professor of Business Administration

one dollar

* * * * * * *

Texas Industrial Expansion

May–June 1959

by

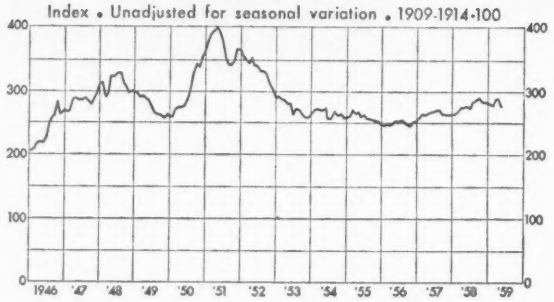
Stanley A. Arbingast, Assistant Director

Robert H. Drenner, Research Associate

twenty-five cents

Prices Received by Farmers in Texas

Index • Unadjusted for seasonal variation • 1909-1914-100



the onion fields to be sprayed with insecticides. Mixtures containing either DDT dust or toxaphene dust provide sufficient control.

Onions mature 6 to 8 weeks after bulb development begins. When the onion plant matures properly the neck softens just above the bulb and the top falls over while it is still green. Growers usually start harvesting a crop when 30 % to 50% of the tops have fallen over. Workers harvest onions by running knives or cutter blades several inches below the bulbs. This operation loosens the soil around the onion and simultaneously cuts its roots. The onion is then pulled from the ground and its tops and roots are clipped with sharp shears, leaving a short neck about one inch long on the bulb. Care must be exercised not to cut too close to the bulb, for decay organisms can easily enter any wound inflicted on the onion. After the onions are removed from the ground they are often left in field rows to "cure." When harvested under conditions of high temperature and bright sunlight, the onions, if left unprotected, will suffer sunscald (tissue damage). Sunscald makes the onion tissue soft and permits bacterial "soft rot" or other decay organisms to enter the onion, causing serious loss to the grower. To protect against sunscald, "shingling"—a method of covering each row of onions with the green tops from the succeeding row—is practiced.

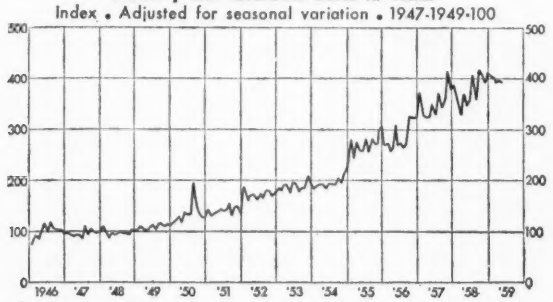
After the onions are harvested and cured they are taken to central packing sheds where they are sorted (the jumbos and undersized onions are sorted out) and polished. The onions are polished by dumping them a bushel at a time onto a burlap sheet which is then lifted by two workers who alternately raise and lower the opposite sides of the sheet—rubbing loose scales and dirt off the onions. They are then sacked in 50-pound bags and shipped to market in refrigerated trucks and railroad cars.

Until 1946, onions produced in Texas were Bermuda varieties, grown from seeds imported from the Canary Islands, and Grano varieties, which were introduced from Spain. Neither type was especially adapted to South Texas growing conditions and, as a result, maximum production of quality onions was never realized using them. In 1933 the United States Department of Agriculture and the Texas Agricultural Experiment Station launched a cooperative onion-breeding program to develop onion varieties better adapted to growing conditions prevailing in South Texas. The results of these efforts were many new varieties and hybrids, the first of which were made available in 1946. Three of these new types, Excel, L-690, and Texas Grano 502, are now being used extensively in South Texas production. These and other varieties grown in Texas differ in size, shape, color of bulb, pungency, and time of maturity, as well as in tolerance to diseases, insects, and temperature.

Since no one variety is suited to all areas nor for all purposes, selection of the variety best suited to growing conditions in the various areas of the state must be determined by the growers. Probably the development of new onion varieties, more than anything else, accounts for the increases in per acre yields which have generally obtained for Texas onion acreage in the past few years.

Ordinary Life Insurance Sales in Texas*

Index • Adjusted for seasonal variation • 1947-1949-100



*Face amount of ordinary life insurance policies sold.

CHANGES IN CONDITION OF WEEKLY REPORTING MEMBER BANKS IN THE DALLAS FEDERAL RESERVE DISTRICT

Source: Board of Governors of the Federal Reserve System

Account	Percent change* May 1959 from Apr 1959	May 1959 from May 1958	May 1958 from Apr 1958
TOTAL ASSETS	**	+ 2	+ 2
Loans and investments, less loans to banks and valuation reserves	**	+ 6	+ 2
Loans, less loans to banks and valuation reserves	**	+ 10	+ 1
Commercial, industrial, and agricultural loans	**	+ 13	**
Loans for purchasing or carrying securities	— 4	— 7	+ 2
Real estate loans	**	+ 6	+ 4
Other loans	+ 12	+ 11	**
Total U. S. Government securities	— 1	— 4	+ 3
Treasury bills	+ 5	— 15	— 1
Treasury certificates of indebtedness	+ 1	+ 32	**
Treasury notes	— 7	— 11	**
Bonds	+ 1	— 4	+ 5
Other securities	— 3	+ 14	+ 5
Loans to banks	— 15	— 26	— 5
Reserves with Federal Reserve banks	**	+ 9	— 14
Cash in vaults	— 10	— 8	+ 6
Balance with domestic banks	+ 1	— 26	+ 19
Other net assets	— 3	— 1	— 3
TOTAL LIABILITIES	— 1	+ 1	+ 2
Total adjusted deposits	— 3	+ 1	+ 1
Demand deposits	— 4	+ 1	+ 1
Time deposits	**	+ 3	+ 4
U. S. Government deposits	— 12	— 19	— 14
Total interbank deposits	+ 8	— 2	+ 5
Domestic banks	+ 9	— 2	+ 5
Foreign banks	— 29	+ 6	— 6
Borrowings	+ 50	+479	— 50
Other liabilities	+ 4	— 10	+ 1
CAPITAL ACCOUNTS	+ 1	+ 9	+ 1

*Percentage changes are based on the week nearest the end of the month.

**Change is less than one-half of one percent.

Finance:

U.S. GOLD LOSS—A FOREIGN POLICY SUCCESS

By DAVID TOWNSEND*

A variety of periodicals, widely read by the American business community, have recently featured articles describing the United States' gold loss. Terms such as "unfavorable," "weakness," "loss of strength," "loss of confidence in the dollar," "devaluation of the dollar," etc., have appeared in these articles in a manner which probably led many readers to "view with alarm" the changing international economic position of the United States. There is, however, good reason to believe that the recent exodus of gold from this country is part of an interrelated mosaic of events which add up to a resounding foreign policy success by the United States Government.

Two world wars and a decade of world-wide depression between the wars effectively destroyed the relatively "open" international economy which developed in the 40 years prior to World War I. The open international economy of the pre-1941 period featured a common monetary system among the major trading nations—the gold standard system. Another characteristic of this earlier international system was a high degree of freedom from governmental restrictions and regulations. Business firms engaging in financial transactions involving commodities, services, and claims enjoyed almost the same degree of freedom to buy and sell in international markets as in domestic markets.

World War I, the great depression of the 1930's, and the threat of World War II virtually destroyed this open or free international economy by the late 1930's. The severe depression in the United States and the threat of a new war caused an abnormal movement of monetary gold to this country. Also, most of the major trading nations imposed many new government restrictions on international economic transactions as a part of many-sided government policies designed to restore domestic full employment.

World War II continued the wrecking job on the open international system inherited from the nineteenth century. Many of the country's important trading partners emerged from World War II with abnormally reduced capacities for production and export and abnormally large demands for imports. The result was a rapid drain to the United States of their already depleted international monetary reserves (gold, and dollars convertible into gold). Consequently, restrictive government controls, which were used in the 1930's to combat unemployment, were used with even greater vigor after World War II to force imports down to the low level of exports and thus halt the loss of international money to the United States.

The lack of international balance, which served as the continuing justification for these restrictions on the part of most foreign governments, was popularly known as "the dollar shortage." Of course the main purpose and the main effect of these controls, which were imposed by most foreign governments, was to reduce the purchase of commodities, services, and financial claims (e.g., stocks and bonds) from the United States.

* Associate Professor of Finance, The University of Texas.

UNITED STATES BALANCE OF INTERNATIONAL PAYMENTS BY PERIODS, 1919–1958

(Billions of dollars)

	1919–1929	1930–1941	1942–1945	1946–1949	1950–1958	1919–1949	1919–1958
Balance of Goods and Services (Excluding military goods transferred under grants)	+ 19.2	+ 2.9	— 3.6	+ 31.9	+ 24.0	+ 57.4	+ 81.4
U. S. Capital, Net	— 11.3	+ 2.3	— 2.2	— 15.5	— 19.5	— 25.7	— 45.4
Foreign Capital and Gold, Net	+ 1.8	— 13.4	+ 6.6	— 4.7	+ 15.5	— 9.7	+ 5.8
Unilateral Transfers, Net	— 5.4	— 3.5	— 1.0	— 15.6	— 24.1	— 25.5	— 49.6
Errors and Omissions, Net	— 4.7	+ 4.8	.....	+ 3.1	+ 3.9	+ 3.2	+ 7.1

Source: *Balance of Payments Statistical Supplement*, U. S. Department of Commerce, 1958, pp. 10–13.
Survey of Current Business, U. S. Department of Commerce, March 1959, pp. 6, 7.

Since World War II the United States has pursued a many-sided foreign economic policy designed to eliminate the causes of the dollar shortage and redistribute the world's international monetary reserves, i.e., gold or dollar claims to gold. Throughout this period the ultimate objective of our country's foreign economic policy has been to create conditions abroad which would be favorable to constructing a new international economy characterized by a high degree of freedom from government controls.

This foreign economic policy has had many facets; however, the ultimate objective remained unchanged as the policy has been consistently pursued by two administrations over the past 15 years. Beginning in 1944 the United States government played a key role in the creation of two new sources of international monetary reserves—the International Monetary Fund, and the International Bank for Reconstruction and Development. The multi-billion dollar loan to the United Kingdom in 1947 was followed by the unprecedented European Recovery Program (the "Marshall Plan"). The program of nonmilitary grants to aid economic development abroad has continued to be an important item of federal government expenditures in each year of this decade. Finally, mention should be made of the persistent reductions in United States tariffs under the auspices of the Reciprocal Trade Agreements Act and a series of international conferences known as the General Agreements on Tariff and Trade (GATT).

Certainly truth would be strained if the foreign economic policy of the United States government were not given credit for being an important factor in the remarkable recovery and expansion of foreign production and the equally remarkable build-up in foreign holdings of gold and dollar reserves. This new economic and financial strength of many of our country's important trading partners has been well publicized. The important point is that the new foreign strength should be a signal for rejoicing rather than for "viewing with alarm." The foreign economic news of recent years means that conditions favorable to the creation of an open or free international economy are at hand.

To be sure, the dismantling of foreign government restrictions on international trade and finance has already begun. A long-run United States economic policy is in the first stages of successful achievement. The international economy is edging toward economic "rules of the game" which are highly prized and praised in this country, and edging away from managed economy concepts usually associated with socialism.

The headlines which feature the recent gold losses may therefore be interpreted as indicators of a United States victory or achievement rather than as evidence of defeat or failure.

The above table summarizes the international economic transactions of the United States with the rest of the world over the 40-year period from 1919 through 1958.

The positive amounts of goods and services measure the excess of sales over purchases. Negative amounts for "U.S. Capital" measure the net increase in United States investment abroad. A positive amount for "U.S. Capital" means that repayments by foreigners were in excess of new United States investment abroad (note the depression years 1930–1941). Positive amounts for "Foreign Capital and Gold" measure the net increase in foreign holdings of gold, dollars, and claims to dollars as a result of United States international transactions. Negative amounts for "Foreign Capital and Gold" measure the loss of international monetary reserves by foreigners during the period. The negative amounts opposite "Unilateral Transfers" measure the net gifts or grants from the United States to the rest of the world.

The last two columns of the table provide totals for the 31 years from 1919 through 1949 and the 40 years from 1919 through 1958.

In the first 31 years of the period beginning in 1919, the large United States surplus of sales over purchases was not offset by United States investments and grants to the rest of the world. The result was a loss of international monetary reserves by foreign countries of almost $10 billion. Addition of the last 9 years to the period beginning in 1919 causes a remarkable change in the totals, as the $9.7 billion loss of international money is replaced by a gain of $5.8 billion.

FEDERAL INTERNAL REVENUE COLLECTIONS

Source: Internal Revenue Service, U. S. Treasury Department

District	July 1–May 31 1958–1959	1957–1958	Percent change
TEXAS	$2,424,499,083	$2,422,293,500†	**
Income	1,057,272,157	1,096,796,612	— 4
Employment	23,251,586	24,248,470	— 4
Withholding	1,139,628,968	1,085,507,054	+ 5
Other	204,346,372	215,741,360	— 5
SOUTHERN DISTRICT	1,234,637,916	1,279,163,284†	— 3
Income	528,689,728	583,799,685	— 9
Employment	5,884,466	5,960,992	— 1
Withholding	577,419,946	557,033,535	+ 4
Other	122,643,776	132,369,069	— 7
NORTHERN DISTRICT	1,189,861,167	1,143,130,216†	+ 4
Income	528,582,429	512,996,927	+ 3
Employment	17,367,120	18,287,478	— 5
Withholding	562,209,022	528,473,519	+ 6
Other	81,702,596	83,372,291	— 2

† Details do not add to totals due to rounding.
** Change is less than one-half of one percent.

Industrial Production:

AUTOMOTIVE AIR CONDITIONING MANUFACTURE IN TEXAS

By CANDLER P. CASS

In the early thirties an evaporative cooler, which was little more than a can hung precariously on the outside of a car window, was widely used on passenger cars in the Southwestern desert area to provide a measure of comfort for automobile travellers on long trips during the hottest months. Although this type of air conditioner proved unsatisfactory for general use, the desire for automobile comfort has created one of Texas' most dynamic industries—the present automotive air conditioning industry. Today across the United States and in a score of foreign countries, car owners merely flip a switch to enjoy a steady stream of cool, dehumidified air when the temperature soars.

Texas is now a center for the production of automotive air conditioning equipment. Twelve of approximately twenty-two independent U.S. manufacturers of this equipment are located in Texas. Dallas and Fort Worth lead in this field, but Houston and some of the smaller cities are also represented.

Dallas has the main plants and home offices of three of the nation's largest independent manufacturers of automotive air conditioning equipment. Frigikar's main Dallas plant has a total capacity of between 500 and 600 air conditioning systems per day. In addition, Frigikar maintains another plant in Dallas for the production of air conditioning testing equipment and a component parts plant in San Antonio. Capitol Refrigeration, the leading specialist in custom built air conditioning systems for foreign and sport cars, has its 8,700-square-foot plant in South Dallas and employs over fifty people. Both Frigikar and Capitol Refrigeration are pioneers in this industry. The John E. Mitchell Company of Dallas did not start producing automotive air conditioning until 1954. Today this company's Mark IV division is one of the nation's leading automotive air conditioning producers. The latest available figures show that these three Dallas firms together produced more than 40,000 individual units in 1957, and since that time all three have increased their production.

Fort Worth is also outstanding for production in this field. It has two important manufacturers of car air conditioning, A.R.A. and the Clardy Company. A.R.A. produces for a national and international market at its 24,000-square-foot plant. The Clardy Company, in addition to making coolers for nationwide distribution, air conditions automobiles under contract for the Rootes group of England. Lindustries, a newly established Fort Worth concern, is a new company, producing air conditioning systems for both foreign and American made cars.

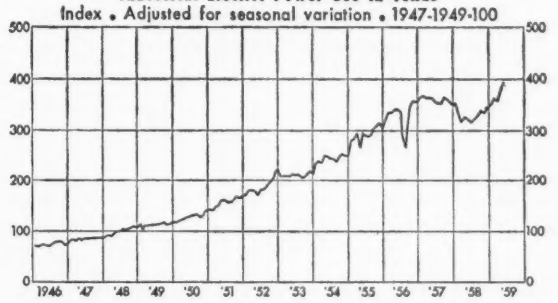
A.R.A. is the nation's largest independent manufacturer of automotive air conditioning. The company recently reported that 1958 sales were 56% greater than in 1957. The increase was attributed in part to the company's research and testing program and to the introduction to a number of system improvements. In 1957 A.R.A. accounted for 10.5% of total sales by independent auto air conditioning manufacturers; in 1958 its percentage of the total grew to 16.5%. This year the company is expanding its national distribution system again, and the outlook for continued growth is exceptionally bright.

Although the largest independent manufacturers of automotive air conditioning are in the Dallas-Fort Worth area, Houston is the home of two companies which produce refrigerated systems for cars. The W.E. Davis Company and the Forston Company manufacture auto air conditioners on a small scale for national distribution. Neither firm, however, manufactures air conditioning systems exclusively. The Forston Company also makes refrigeration equipment. It has, however, recently announced that it has a new 18,000-square-foot factory and office building under construction, and that, when this is completed, the company expects to increase its production of auto air conditioners by 50%. Another Houston auto air conditioning firm, Lo-Merc, has all its systems manufactured under contract by the Climate Air Manufacturing Co. of Tyler. Texas also has an auto air conditioning manufacturer located in Denison (Mobile Air Mfg. Co.).

About two-thirds of the automobile air conditioners produced today come from the automobile manufacturers. The large auto manufacturers produce auto air conditioners as accessories to the cars they put out; therefore,

Industrial Electric Power Use in Texas

Index • Adjusted for seasonal variation • 1947-1949-100



most of these systems are sold as original equipment on new cars, but a few are sold through the authorized dealers for the particular make of car. A system made by one car company will usually not fit cars made by a competitor.

The other third of the auto air conditioning systems are manufactured by independents such as the Texas companies noted above. The only connection these independents have with the automobile industry is the fact that they produce air conditioning equipment. Unlike the auto manufacturers, the independents usually produce systems to fit most late model cars on the roads. About two-thirds of all independent companies that manufacture such systems are in Texas.

While the automobile manufacturers have held the lead in the production of car air conditioning systems ever since 1953 because of their ability to offer their units as original equipment, the independents have the advantage in sales to owners of existing cars not so equipped, to fleet owners, and to owners of commercial vehicles. The reason for this advantage is that most independent makes of car air conditioners are not only changeable from one make of vehicle to another; they are also changeable with a minimum of time and trouble. This fact also tends to make the independents, compared with the auto companies, less vulnerable to the fluctuations of the domestic car market. This was demonstrated in 1957, when the independents experienced an aggregate sales increase of 18%, in spite of a 20% decline in the sale of new cars.

The Texas auto air conditioner manufacturers derive a number of advantages from their location. An estimated 45% of all systems are sold to car owners in the six-state Southwestern area, and Texas is by far the largest buyer of the six states. Therefore, a manufacturer located in Texas can keep in closer contact with his distributors and customers. This not only promotes better sales relations but also gives him first-hand knowledge of the consumer's tastes and needs as a basis for the planning of changes in existing lines and development of new lines.

Along with this goes the fact that a Texas-based producer is near New Mexico and Arizona, where most of the testing and experimentation takes place. This means not only a saving in development costs, but also a saving on time required to get a new product on the market. Climatic conditions make it possible for a Texas manufacturer to do some of the required testing at his own location.

Actually, the whole refrigerated auto air conditioning industry started in Dallas. Two Dallas citizens, both of whom are now presidents of large air conditioning companies, figured importantly in the birth of the industry. Mr. William E. Anglin, who is now president of Capitol Refrigeration, developed one of the first refrigerated systems. Mr. Bert J. Mitchell, at that time a specialized auto body manufacturer in Dallas, installed the first practical refrigeration unit. Mr. Mitchell, who installed the first refrigeration unit he ever saw in a car built especially for the president of the Packard Motor Car Co., now heads the Frigikar Corp. Between 1939, when Mr. Mitchell installed that first system, and 1942, when the industry had to close down because of the war, only 3000 units had been produced.

REFINERY STOCKS*
(in thousands of barrels)

Source: *The Oil and Gas Journal*

Area and product	May 1959	Apr 1959	May 1958	Percent change: May 1959 from Apr 1959	Percent change: May 1959 from May 1958
UNITED STATES					
Gasoline	203,140	209,593	193,355	— 3	+ 5
Distillate	97,544	85,584	87,858	+ 14	+ 11
Residual	54,669	54,500	61,383	**	— 11
Kerosene	24,030	21,076	21,469	+ 14	+ 12
TEXAS					
Gasoline	32,861	34,098	32,268	— 4	+ 2
Distillate	14,257	10,744	10,962	+ 33	+ 30
Residual	6,982	7,285	7,132	— 4	— 2
Kerosene	3,595	3,196	2,878	+ 12	+ 25

*Figures shown are for the week ending nearest the last day of the month.

**Change is less than one-half of one percent.

During the years immediately after the war, much experimentation in the field of automobile air conditioning took place; however, only two companies actually produced systems before 1949. The industry as it is known today started when the old Bishop & Babcock Co. of Dallas merged into the Frigikar Corp. and began producing the first model of its Frigikar line. About the same time A.R.A. set up production facilities in Fort Worth, and in August 1949 Capitol Refrigeration began manufacturing its first model Artic-kar. At first, however, refrigerated car coolers were practically unknown and very expensive.

The independents began mass production of automobile air conditioners in the summer of 1953. In this same year the automobile manufacturers, led by Chrysler Corp., started producing systems as accessories for their cars. Quickly the auto manufacturers took the lion's share of the market and steadily increased their lead over the independents until about 1957. However, the popularity of car air conditioning has grown so much that, in spite of the declining percentage of the industry's total output, the independents have steadily increased production year after year. In 1953 and 1954 a number of new independent manufacturers came into this field. Most of these settled in Texas. Auto air conditioning became so popular in the High Plains area of Texas that for a time an Amarillo concern manufactured systems for local distribution.

The contemporary quiet, unobtrusive car air conditioner is a far cry from the old, dripping can. The evaporative type cooler, aside from the bother of keeping it filled with water, gives little or no relief in humid climates like the steaming Gulf Coast or the Deep South. In contrast, the modern type of unit dehumidifies as it cools the air, making the new type very welcome in hot, humid climates. The air that flows through one of these units enters the car dry. The unit can be hidden in the trunk or fitted under the dash to enhance the interior of the car. The manufacturers are consistently working to improve their systems to a point of maximum efficiency.

Because of its uninsulated metal body and its large glass area, an automobile requires the same amount of cooling power as a small house. One of the main problems is the cost of extra gasoline and engine wear required for a motorist to enjoy cool driving. Much research has gone into making car air conditioning more effective and less costly to operate. Advances have been made. One is an automatic clutch that regulates the speed of the system independently of the vehicle's engine. This innovation makes direct speed control, thus thermostat control, possible. This automatic clutch has led to increased use of air conditioning in passenger cars as well as to new uses on commercial vehicles, including ambulances, buses, and trucks. Some systems now marketed feature push-button controls, so that the driver can have any amount of cool air he desires. The automotive engineers have come up with two ideas to reduce cost of operation and improve efficiency of auto air conditioners. One is the idea of an independent motor to operate the system. The other is to centralize all of the system's component parts into one compact unit. A few companies such as Frigikar now produce some systems containing these variations.

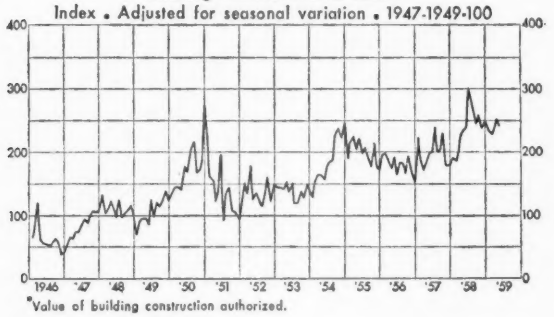
The latest news in auto air conditioning is the development of a heat pump that can be used on a stock passenger car. For several years there has been considerable experimentation on automobile heat pumps, and this spring two Texas air conditioning firms announced development of marketable types. These two companies are Lo-Merc of Houston and Capitol Refrigeration of Dallas. A heat pump blows cold air out one side and hot air out the other. Thus, by merely reversing the switch, it can be changed from a cooler to a heater. These heat pumps are now being put on the market, though they still cost somewhat more than the conventional type system.

In spite of phenomenal increases in production year after year, the market for automobile air conditioners is still growing. More and more Southwesterners are install-

ing this equipment, and the idea has moved into the Deep South, the Middle West, and out to the Pacific Coast. Moreover, Texas made air conditioners have found a good reception in South America, Europe, and South Asia. Car air conditioners, once just a luxury, have become a most welcome extra on even the lowest priced cars.

Building Construction in Texas*

Index • Adjusted for seasonal variation • 1947-1949-100



*Value of building construction authorized.

ESTIMATED VALUE OF BUILDING AUTHORIZED

Source: Bureau of Business Research in cooperation with the Bureau of Labor Statistics, U. S. Department of Labor

Classification	May 1959	January-May 1959	January-May 1958	Percent change 1959 from 1958
	Thousands of Dollars			
CONSTRUCTION CLASS				
ALL PERMITS	106,436	531,983	465,007	+ 14
New construction	96,199	482,443	416,049	+ 16
Residential (housekeeping)	60,962	329,862	268,322	+ 23
One-family dwellings	57,123	308,954	245,337	+ 26
Multiple-family dwellings	3,839	20,908	22,985	— 9
Nonresidential buildings	35,237	152,583	147,727	+ 3
Nonhousekeeping buildings (residential)	2,978	9,539	5,154	+ 85
Amusement buildings	1,177	5,450	3,838	+ 42
Churches	2,036	12,925	13,894	— 7
Factories and workshops	3,481	16,651	10,037	+ 66
Garages (commercial and private)	409	1,974	1,859	+ 6
Service stations	821	3,586	4,582	— 22
Institutional buildings	2,291	6,149	3,965	+ 55
Office-bank buildings*	4,661	20,572	22,796	— 10
Works & utilities	358	3,968	8,518	— 53
Educational buildings	8,143	29,297	37,920	— 23
Stores & mercantile buildings	7,890	35,958	28,941	+ 24
Other buildings & structures‡	986	6,515	6,221	+ 5
Additions, alterations, and repairs§	10,237	49,538	48,958	+ 1
METROPOLITAN vs. NON-METROPOLITAN†				
Total metropolitan	78,267	396,828	344,970	+ 15
Central cities	68,700	336,694	294,900	+ 14
Outside central cities	9,567	60,134	50,070	+ 20
Total metropolitan	28,169	135,155	120,037	+ 13
10,000 to 50,000 population	18,071	96,250	88,605	+ 9
Less than 10,000 population	10,098	38,905	31,432	+ 24

*Includes public (nonfederal) administration buildings beginning July 1957.

‡Includes government (nonfederal) service buildings beginning July 1957.

§Includes additions and alterations to public buildings beginning July 1957.

†As defined in 1950 census.

Building Construction:

RESIDENTIAL CATEGORY DROPS SHARPLY IN MAY; NONRESIDENTIAL SHOWS STRONG GAIN

By ROBERT H. DRENNER

The estimated dollar value of all urban building construction authorized in Texas in May was $106,436,000, an amount 7% below the value of permits issued in the preceding April but 4% greater than the May 1958 total. The 7% decline was substantially greater than the small April-to-May drop expected from the usual movement of authorizations from the one month to the other, and as a consequence the seasonally adjusted monthly index of building authorized in the state fell from 252 in April to May's 242. All of the decline was occasioned by a sharp fall in authorizations for new residences; much of this, however, was offset by strong gains in the nonresidential sector. Permits for additions, alterations, and repairs to all types of buildings, though accounting for only 10% ($10,237,000) of the value of all building authorized in May, showed a nominal 1% gain from the prior month.

Despite the unseasonally large decline in building authorized in May, the total value of building construction represented by permits issued in Texas through the first five months of this year ($531,983,000) was an encouraging 14% higher than for the same 1958 period. Building authorized in the state in 1959 will certainly exceed the billion-dollar level. Furthermore, even though the level of building activity through the balance of the year is expected to be somewhat below the extremely high rate in the second half of 1958, building construction this year should at least match, and perhaps exceed by as much as 5%, the 1958 record.

RESIDENTIAL

New residential (housekeeping) buildings with a total value of $60,962,000 were authorized in Texas in May, an amount 16% below the amount authorized in April. A decline of about 1% would have been seasonally normal. The seasonally adjusted residential index consequently dropped very sharply to 256 from 301 in April. For the first time this year the value of new residential building authorized fell below (about −1%) the corresponding month a year ago. However, most of the decline was balanced by a steep increase in nonresidential permits. The total dollar value of residential permits issued in May was responsible for 63% of the dollar value of all building authorized in the month, compared with a 1958 average of 65%. It appears likely that the percentage will decline still further—though probably not much below 60%—in the months immediately ahead.

For the January-May period, residential authorizations were 23% greater than the value of those issued in the same period last year. This percentage, too, is expected to fall slowly as the year progresses. The last half of 1958 was characterized by the highest issuance rate of permits for new residences in the state's history, and a combination of factors makes it unlikely that this rate will be matched in the last six months of 1959.

BUILDING AUTHORIZED IN TEXAS
20 SELECT CITIES

	Residential						Nonresidential					
	May 1959	May 1958	% Change	Jan-May 1959	Jan-May 1958	% Change	May 1959	May 1958	% Change	Jan-May 1959	Jan-May 1958	% Change
Abilene	$ 1,558,790	$ 1,258,538	+ 24	$ 9,094,120	$ 4,728,166	+ 92	$ 313,401	$ 307,245	+ 2	$ 2,242,545	$ 2,030,958	+ 10
Amarillo	1,638	1,491,385	+ 10	9,771,435	6,899,080	+ 42	1,658,546	515,023	+222	5,680,690	3,425,284	+ 66
Austin	2,871,500	2,352,750	+ 22	14,933,800	11,500,881	+ 30	1,090,835	3,199,986	— 66	6,055,502	8,458,177	— 28
Beaumont	624,601	623,233	*	3,263,188	3,099,179	+ 5	362,625	377,226	— 4	2,426,380	1,807,714	+ 34
Corpus Christi	740,000	1,135,200	— 35	4,097,700	5,153,350	— 20	349,907	456,786	+ 86	4,732,200	3,705,545	+ 28
Dallas	6,414,016	7,695,262	— 17	40,371,366	32,457,267	+ 24	5,010,685	3,066,887	+ 63	25,446,305	15,065,634	+ 69
El Paso	2,534,000	3,680,553	— 31	16,509,008	16,685,488	— 1	700,680	1,161,749	— 40	5,707,752	5,196,392	+ 10
Fort Worth	2,705,387	1,974,452	+ 37	14,022,184	9,712,243	+ 44	860,664	1,382,572	— 38	3,893,416	8,362,698	— 53
Garland	561,700	786,828	— 29	5,100,527	3,322,796	+ 54	149,124	84,060	+ 77	1,107,459	1,018,444	+ 9
Houston	11,587,993	12,925,380	— 10	59,815,575	57,241,742	+ 4	4,747,982	4,543,615	+ 4	19,849,262	23,564,015	— 16
Irving	463,241	849,811	— 45	4,218,801	3,413,560	+ 24	96,589	68,888	+ 40	3,631,128	1,414,583	+157
Longview	313,400	474,500	— 34	3,507,700	2,541,300	+ 38	186,150	1,038,600	— 82	521,525	2,917,255	— 82
Lubbock	3,439,400	2,315,500	+ 49	14,778,809	10,013,075	+ 48	3,898,152	1,449,386	+169	9,451,204	5,269,225	+ 79
Odessa	1,251,900	1,640,850	— 24	7,452,600	9,396,680	— 21	415,514	771,884	— 46	2,247,668	3,012,387	— 25
Pasadena	795,500	1,279,950	— 38	5,223,499	4,480,900	+ 17	379,500	84,250	+350	1,230,119	1,874,654	— 34
Port Arthur	144,321	240,045	— 40	1,085,629	1,068,533	+ 2	130,467	379,006	— 66	569,597	4,228,849	— 87
San Antonio	3,184,868	3,173,403	*	16,613,225	12,279,223	+ 71	648,882	1,771,025	— 63	6,799,947	7,968,405	— 15
Tyler	664,450	860,225	— 23	3,466,250	2,884,428	+ 20	682,800	100,000	+583	1,477,365	1,331,300	+ 11
Waco	662,050	540,450	+ 22	3,539,650	2,804,114	+ 26	2,641,653	467,911	+465	4,071,001	1,210,100	+236
Wichita Falls	545,494	283,250	+ 93	3,570,294	1,382,613	+158	509,610	70,100	+627	1,548,685	690,176	+124

* Change is less than one-half of one percent.

Permits issued in May for new single-family residences accounted for almost 94% of the value of all residential (housekeeping) authorizations. Such permits were down 18% from April, but for the cumulative period were 26% above January-May 1958. With the exception of one category (three- and four-family dwellings) the multiple-family classification recorded substantial gains from April: duplex permits were up 79% and authorizations for new apartment buildings rose 21%. These classifications are so small, however, that they tend to vary considerably from month to month. It is apparent from the showings of the multiple-family classifications for the January-May period that the rental housing boom that held throughout the whole of 1958 in Texas has slowed appreciably. Permits for new multiple-family residences as a whole were down 9% for the period; permits for new duplexes fell 1% and apartment authorizations were off 11%. Since these figures represent a comparison of 1959 building in the multiple-family area with a period of near-record activity, however, it is evident that duplex and apartment building is holding at a quite high rate.

It should be noted that the rather sharp decline in new residential authorizations in Texas in May was at least to a large extent paralleled on the national scene. Although permits issued and actual housing starts are not exactly comparable, the fact that new housing starts in the United States in May fell to a 1959 low is strong evidence that nationally residential authorizations were lagging at roughly the same period that they were in Texas.

At present the economy is moving in a direction generally regarded as discouraging to builders. Under pressure of demand from the commercial and industrial sectors for funds, the cost of borrowed money is rising, compelling builders to absorb larger mortgage discounts or to pass the discounts on to an increasingly reluctant homebuying public. Construction costs are also rising. The combination of these two factors, reports indicate, are making new homes more difficult to build and sell. Although applications for FHA mortgage insurance and requests for VA appraisals seem to be holding up well, there is also evidence that a larger proportion of new homes, especially in the above-$13,500 range, are being financed with conventional mortgages, on which down payments and interest rates are substantially larger than on FHA- and VA-guaranteed loans. It is also significant that the average value of new homes authorized is again moving upward. In January-May 1959, for example, the average value of each single-family residence authorized in Texas was $10,950, relatively unchanged from the 1958 average of $10,920. In May, however, the average value of each new residence authorized was $11,975, or about 10% greater.

NONRESIDENTIAL

Urban nonresidential building construction authorized in Texas in May, with an estimated total value of $35,237,000, rose 13% from the April level, compared with an expected seasonal decline of about 8%. As a result the seasonally adjusted nonresidential index jumped from 202 in April to 244. For the first five months, nonresidential authorizations were 3% over January-May 1958, a figure that should improve steadily in the coming months.

The largest month-to-month increases in the nonresidential category were posted by amusement buildings (bowling alleys and theaters, chiefly), +399% (and +42% in the five-month comparison); institutional buildings (hospitals and special schools), +1,933% (and +55% from January-May 1958); and educational buildings, +102% (but −23% for the year thus far). Substantial gains were also shown by hotels and tourist courts, +28% (+85% for January-May); service stations, +12% (−22% for the year); and office-bank buildings, +34% (but −10% for the first five months). Declines from April, on the other hand, were shown in permits for new churches, −37% (and −7% in the cumulative period); factories, −4% (but +66% for the year thus far); works and utilities, −60% (and −53% for January-May); and stores, −18% (but +24% for the cumulative period).

NEW HOUSING LAW

On June 30 President Eisenhower signed into law one of the two housing bills passed by Congress; at this writing whether or not the second bill will be signed is not known, though it is rather widely predicted that it will be vetoed. The most important feature of the new law is that it allows an increase in the interest rate ceiling on VA-guaranteed mortgages to 5¼% from 4¾%. Though the new law, like the old, is permissive— it does not require that private lenders charge 5¼% on home loans to veterans—it is certain that virtually all new loans under the program will bear the maximum rate. The new 5¼% limit on VA-guaranteed home loans brings this rate up to that permitted on mortgages insured by the Federal Housing Administration.

The Veterans Administration has already put the increase permitted by the new law into effect. The Federal National Mortgage Association ("Fanny Mae") has announced that it will buy 5¼% VA-guaranteed mortgages in its secondary mortgage operations at the same price it currently pays for 5¼% FHA-insured mortgages.

It is widely felt that the FHA will soon raise the permitted interest rate on housing loans the agency insures from 5¼% to 5½%. The possibility of the increase does not depend on Congressional action; the FHA commissioner can within his discretion allow a rise to 6%.

The new law also contains an authorization for an additional $100 million for direct federal housing loans to veterans. Last year Congress extended the VA direct home loan program until mid-1960. It then gave the VA authority to make direct loans up to a total of $150 million in fiscal 1960 (which began this July 1), but it also limited use of the annual total to $50 million in any one quarter. Under the old law, that is, the VA now has $50 million available for direct housing loans to veterans for this quarter; under the new law it has an additional $100 million available, on the use of which there are no such restrictions.

The VA direct home loan program will continue to operate as in the past, i.e., loans for home purchases will be made only in instances where no private lender can be found to make the loan under (for example) the regular VA-guaranteed loan program. It was indicated that direct loans, despite the increased funds made available, will be held to a minimum until the effect of the increased allowable interest rate on VA-guaranteed loans can be determined. If the new rate considerably enhances the attractiveness of VA-backed mortgages for private lenders, the amount of spending by the VA on direct loans will presumably be greatly reduced.

Increased borrowing by both consumers and businessmen in recent months, however, has already tightened the supply of private investment funds, and it is probable that the tightening will continue for some months. Interest rates are rising, so much so that private investment in FHA-backed mortgages is slowing in favor of more attractive investment opportunities elsewhere. The trend is also reflected in the fact that a rising percentage of new homes carry "conventional" mortgages, which in most areas carry higher interest rates than FHA-guaranteed home loans. In consequence it appears that most builders and mortgage men doubt that the higher allowable rate on VA-guaranteed home loans will do much to rejuvenate the VA home loan program—or, if there is some improvement, that another general rise in the price of borrowed funds (expected soon) will quickly offset the advantage of the higher allowable interest rate. Nevertheless, in the short run the new law should significantly strengthen the languishing VA home loan program, at least until the FHA raises its own permitted interest rate. But in any circumstance, discounting of both types of mortgages will continue; it is unlikely that even a higher rate on FHA loans will allow them to compete at par with other forms of investment as long as the present business climate continues.

The second housing bill sent to the President would, if passed, provide much greater support for homebuilding. It would increase the maximum maturity for both VA and FHA loans to 35 years from the present 30 (and thus reduce monthly payments to homebuyers). It would also lower down payments required on FHA-guaranteed loans, and increase the maximum mortgage that the FHA can insure to $22,500 from the current limit of $20,000. But the bill also contains public housing and urban renewal provisions which the President has strongly criticized, and of course he must accept or reject the bill as a whole. If the bill is rejected, it is considered likely that the Congress will quickly pass a limited substitute, for the bill also contains new insurance authority necessary to keep the FHA mortgage insurance program in operation; the FHA has nearly exhausted funds available to it.

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By C. D. Kirksey *(Two Dollars)*

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Local Business

City and item	May 1959	Percent Change: May 1959 from Apr 1959	Percent Change: May 1959 from May 1958
ABILENE (pop. 62,500[r])			
Retail sales			
General merchandise stores	+ 5§	+ 1	— 4
Postal receipts* $	94,994	+ 7	.....
Building permits, less federal contracts $	2,003,334	— 9	+ 21
Bank debits (thousands) $	94,625	— 2	+ 19
End-of month deposits (thousands)‡ $	64,315	+ 2	+ 11
Annual rate of deposit turnover	17.9	— 2	+ 10
Employment (area)	32,650	+ 2	+ 7
Manufacturing employment (area)	3,440	+ 1	+ 9
Percent unemployed (area)	4.2	— 7	— 38
ALPINE (pop. 5,261)			
Postal receipts* $	3,554	— 15	+ 29
Building permits, less federal contracts $	22,000	.....	+547
Bank debits (thousands) $	2,562	— 2	+ 11
End-of-month deposits (thousands)‡ $	3,584	— 3	— 8
Annual rate of deposit turnover	8.4	— 2	.....
AMARILLO (pop. 147,949[r])			
Retail sales	+ 4§	— 1	+ 25
Apparel stores	**§	.....	**
Automotive stores	+ 8§	+ 27	+ 46
Drug stores	+ 2§	+ 2	— 3
Eating and drinking places	+ 4§	+ 7	+ 10
Food stores	+ 2§	— 6	+ 2
Furniture and household appliance stores	+ 15§	+ 30	+ 36
Gasoline and service stations	+ 3§	— 2	+ 20
Liquor stores	na§	+ 15	+ 10
Lumber, building material, and hardware stores	+ 6§	— 11	+ 3
Postal receipts* $	183,237	**	+ 33
Building permits, less federal contracts $	3,585,699	+ 10	+ 59
Bank debits (thousands) $	208,954	— 5	+ 22
End-of-month deposits (thousands)‡ $	114,405	+ 1	+ 5
Annual rate of deposit turnover	22.0	— 4	+ 17
Employment (area)	51,450	**	+ 4
Manufacturing employment (area)	5,890	+ 1	+ 8
Percent unemployed (area)	2.8	— 10	— 49
AUSTIN (pop. 197,000[r])			
Retail sales	+ 4§	+ 13	+ 12
Apparel stores	**§	+ 8	+ 17
Automotive stores	+ 8§	+ 5	+ 24
Drug stores	+ 2§	+ 2	— 6
Eating and drinking places	+ 4§	+ 6	+ 13
Furniture and household appliance stores	+ 15§	+ 26	+ 10
Lumber, building material, and hardware stores	+ 6§	+ 13	+ 14
Postal receipts* $	327,332	— 18	+ 21
Building permits, less federal contracts $	4,532,410	— 11	— 26
Bank debits (thousands) $	208,679	— 3	+ 15
End-of-month deposits (thousands)‡ $	152,554	— 8	+ 20
Annual rate of deposit turnover	15.7	— 2	— 7
Employment (area)	72,500	+ 1	+ 3
Manufacturing employment (area)	5,650	**	+ 3
Percent unemployed (area)	3.4	— 11	— 19
BAYTOWN (pop. 28,945[r])			
Postal receipts* $	21,773	+ 7	+ 32
Building permits, less federal contracts $	221,639	— 41	— 51
Bank debits (thousands) $	21,197	— 1	+ 1
End-of-month deposits (thousands)‡ $	24,398	+ 2	+ 14
Annual rate of deposit turnover	10.5	**	— 9
Employment (area)	481,600	+ 1	+ 5
Manufacturing employment (area)	94,900	**	+ 2
Percent unemployed (area)	4.3	— 9	— 37
ARLINGTON (pop. 45,340[r])			
Postal receipts* $	30,940	— 1	+ 42
Building permits, less federal contracts $	1,127,030	+ 2	+ 9
Employment (area)	197,100	+ 1	+ 3
Manufacturing employment (area)	55,125	**	+ 2
Percent unemployed (area)	4.3	— 14	— 39
BEAUMONT (pop. 122,485[r])			
Retail sales	+ 4§	+ 16	+ 3
Apparel stores	**§	— 5	— 9
Automotive stores	+ 8§	+ 18	+ 10
Eating and drinking places	+ 4§	+ 9	— 3
Furniture and household appliance stores	+ 15§	+ 12	— 23
Gasoline and service stations	+ 3§	+ 4	+ 14
General merchandise stores	+ 5§	+ 31	+ 4
Lumber, building material, and hardware stores	+ 6§	+ 2	— 13
Postal receipts* $	117,522	+ 15	+ 34
Building permits, less federal contracts $	1,167,766	— 30	+ 5
Bank debits (thousands) $	155,048	+ 1	+ 7
End-of-month deposits (thousands)‡ $	102,959	— 1	— 4
Annual rate of deposit turnover	18.0	+ 1	+ 13
Employment (area)	89,100	+ 2	— 3
Manufacturing employment (area)	28,070	+ 5	**
Percent unemployed (area)	9.6	— 8	— 1
BEEVILLE (pop. 15,105[r])			
Retail sales			
Lumber, building material, and hardware stores	+ 6§	+ 12	+ 21
Postal receipts* $	11,025	+ 16	+ 55
Building permits, less federal contracts $	316,662	+129	+214
Bank debits (thousands) $	9,845	+ 4	+ 14
End-of-month deposits (thousands)‡ $	13,517	— 2	+ 8
Annual rate of deposit turnover	8.7	+ 6	.....
BIG SPRING (pop. 30,433[r])			
Retail sales			
Apparel stores	**§	+ 2	+ 3
Lumber, building material, and hardware stores	+ 6§	— 19	+ 14
Postal receipts* $	25,097	— 11	+ 47
Building permits, less federal contracts $	498,900	+ 88	+174
Bank debits (thousands) $	37,433	— 7	+ 8
End-of-month deposits (thousands)‡ $	28,616	— 9	+ 13
Annual rate of deposit turnover	15.0	— 6	.....
BRADY (pop. 5,944)			
Postal receipts* $	4,239	— 18	+ 41
Building permits, less federal contracts $	25,750	+187	+131
Bank debits (thousands) $	4,974	+ 2	+ 10
End-of-month deposits (thousands)‡ $	6,777	+ 14	+ 5
Annual rate of deposit turnover	9.4	— 27	+ 11
BRENHAM (pop. 6,941)			
Postal receipts* $	6,743	+ 9	+ 60
Building permits, less federal contracts $	228,291	+234	+257
Bank debits (thousands) $	7,764	— 4	+ 15
End-of-month deposits (thousands)‡ $	12,022	**	+ 3
Annual rate of deposit turnover	7.7	— 1	+ 12
BROWNSVILLE (pop. 36,066)			
Retail sales	+ 4§	+ 9	+ 60
Lumber, building material, and hardware stores	+ 6§	— 20	+ 19
Postal receipts* $	28,761	+ 7	+ 58
Building permits, less federal contracts $	197,139	+ 78	— 65

For explanation of symbols, see page 23.

Conditions

City and item	May 1959	Percent Change: May 1959 from Apr 1959	Percent Change: May 1959 from May 1958
BROWNWOOD (pop. 20,181)			
Retail sales	+ 4§	+ 8	+ 50
Apparel stores	**§	+ 12	— 1
Furniture and household appliance stores	+ 15§	+ 18	+ 67
Postal receipts*	$ 18,973	....	....
Bank debits (thousands)	$ 12,812	+ 4	+ 12
End-of-month deposits (thousands)‡	$ 13,063	+ 1	+ 4
Annual rate of deposit turnover	11.8	+ 4	+ 4
BRYAN (pop. 23,883r)			
Retail sales	+ 4§	+ 12	+ 1
Apparel stores	**§	+ 24	— 4
Automotive stores	+ 8§	— 10	+ 33
Furniture and household appliance stores	+ 15§	+ 38	+ 4
Lumber, building material, and hardware sotres	+ 6§	+ 34	+ 9
Postal receipts*	$ 18,977	— 15	+ 22
Building permits, less federal contracts	$ 197,774	+ 12	— 6
CISCO (pop. 5,230)			
Postal receipts*	$ 3,874	+ 11	+ 24
Bank debits (thousands)	$ 3,155	— 6	+ 27
End-of-month deposits (thousands)‡	$ 3,714	— 1	+ 4
Annual rate of deposit turnover	10.1	— 6	+ 20
CORPUS CHRISTI (pop. 180,000r)			
Retail sales	+ 4§	+ 18	+ 38
Apparel stores	**§	— 3	— 6
Automotive stores	+ 8§	+ 22	+ 60
Lumber, building material, and hardware stores	+ 6§	+ 25	— 11
Postal receipts*	$ 155,788	+ 2	+ 25
Building permits, less federal contracts	$ 1,798,213	— 33	**
Bank debits (thousands)	$ 188,371	— 2	+ 4
End-of-month deposits (thousands)‡	$ 107,431	— 3	— 3
Annual rate of deposit turnover	20.2	+ 1	+ 4
Employment (area)	63,600	— 1	— 3
Manufacturing employment (area)	8,120	**	— 1
Percent unemployed (area)	6.1	— 12	— 18
CORSICANA (pop. 25,262r)			
Postal receipts*	$ 15,965	— 4	— 20
Building permits, less federal contracts	$ 156,880	— 41	+ 9
Bank debits (thousands)	$ 15,129	**	+ 1
End-of-month deposits (thousands)‡	$ 20,362	— 1	— 5
Annual rate of deposit turnover	8.9	**	+ 6
EL PASO (pop. 244,400r)			
Retail sales	+ 4§	+ 5	**
Apparel stores	**§	+ 39	— 31
Automotive stores	+ 8§	+ 3	+ 5
Drug stores	+ 2§	+ 11	+ 15
Food stores	+ 2§	+ 10	+ 2
Furniture and household appliance stores	+ 15§	— 11	— 9
General merchandise stores	+ 5§	+ 2	— 1
Lumber, building material, and hardware stores	+ 6§	— 3	+ 16
Postal receipts*	$ 261,617	+ 11	+ 39
Building permits, less federal contracts	$ 3,662,904	— 38	— 30
Bank debits (thousands)	$ 335,417	**	+ 12
End-of-month deposits (thousands)‡	$ 161,668	— 3	+ 9
Annual rate of deposit turnover	24.5	+ 1	+ 5
Employment (area)	83,500	+ 1	+ 4
Manufacturing employment (area)	13,480	+ 2	+ 2
Percent unemployed (area)	3.9	— 5	— 15
DALLAS (pop. 641,000r)			
Retail sales	+ 6§	+ 2	+ 4
Apparel stores	+ 3§	+ 5	+ 1
Automotive stores	+ 9§	— 4	+ 26
Eating and drinking places	+ 4§	+ 7	— 5
Florists	+ 2§	+ 19	+ 4
Food stores	+ 4§	— 2	— 11
Furniture and household appliance stores	+ 11§	— 1	+ 6
Gasoline and service stations	+ 4§	— 6	— 14
General merchandise stores	+ 5§	+ 20	— 9
Jewelry stores	na§	+ 37	+ 14
Liquor stores	na§	+ 18	+ 34
Lumber, building material, and hardware stores	— 2§	— 10	— 1
Office, store, and school supply dealers	+ 1§	— 9	— 2
Postal receipts*	$ 1,973,704	**	+ 24
Building permits, less federal contracts	$13,544,837	— 7	+ 11
Bank debits (thousands)	$ 2,483,293	+ 2	+ 11
End-of-month deposits (thousands)‡	$ 1,118,634	— 1	+ 11
Annual rate of deposit turnover	26.4	+ 2	**
Employment (area)	391,200	**	+ 3
Manufacturing employment (area)	85,025	**	— 3
Percent unemployed (area)	3.0	— 3	— 35
DENTON (pop. 29,479r)			
Retail sales			
Drug stores	+ 2§	+ 6	— 1
Postal receipts*	$ 28,213	+ 8	+ 20
Building permits, less federal contracts	$ 85,550	— 64	— 82
Bank debits (thousands)	$ 17,852	+ 3	....
End-of-month deposits (thousands)‡	$ 20,577	+ 5	....
Annual rate of deposit turnover	10.7	**	....
EDINBURG (pop. 15,993r)			
Postal receipts*	$ 10,023	+ 12	+ 60
Building permits, less federal contracts	$ 293,955	+121	+347
Bank debits (thousands)	$ 12,590	+ 5	+ 7
End-of-month deposits (thousands)‡	$ 8,553	— 5	— 29
Annual rate of deposit turnover	17.2	+ 5	+ 24
FORT WORTH (pop. 373,000r)			
Retail sales	+ 3§	+ 9	+ 3
Apparel stores	**§	+ 8	+ 4
Automotive stores	+ 11§	+ 9	+ 10
Drug stores	+ 4§	— 2	— 7
Eating and drinking places	+ 6§	+ 8	— 3
Food stores	+ 4§	+ 4	— 5
Furniture and household appliance stores	+ 27§	+ 29	+ 5
Gasoline and service stations	+ 4§	+ 1	— 20
General merchandise stores	+ 9§	+ 21	**
Hay, grain and feed stores	na§	— 4	+ 7
Liquor stores	na§	**	+ 3
Lumber, building material, and hardware stores	+ 4§	— 4	+ 15
Postal receipts*	$ 611,183	— 6	+ 19
Building permits, less federal contracts	$ 4,187,696	— 12	+ 15
Bank debits (thousands)	$ 767,803	+ 1	+ 13
End-of-month deposits (thousands)‡	$ 375,673	— 1	+ 4
Annual rate of deposit turnover	24.5	+ 3	+ 8
Employment (area)	197,100	+ 1	+ 3
Manufacturing employment (area)	55,125	**	+ 2
Percent unemployed (area)	4.3	— 14	— 39

For explanation of symbols, see page 23.

City and item	May 1959	Percent Change: May 1959 from Apr 1959	Percent Change: May 1959 from May 1958
GALVESTON (pop. 71,590[r])			
Retail sales	+ 4§	+ 15	— 4
Apparel stores	**§	+ 13	— 4
Automotive stores	+ 8§	+ 7	— 13
Food stores	+ 2§	+ 4	— 7
Lumber, building material, and hardware stores	+ 6§	— 6	+ 10
Postal receipts* $	77,437	— 15	+ 9
Building permits, less federal contracts $	382,992	+ 42	— 31
Bank debits (thousands) $	78,733	— 16	— 6
End-of-month deposits (thousands)‡ $	64,526	+ 3	— 2
Annual rate of deposit turnover	14.9	— 16	— 2
Employment (area)	50,000	+ 1	+ 3
Manufacturing employment (area)	10,870	**	— 3
Percent unemployed (area)	7.5	— 4	— 6
GARLAND (pop. 28,151[r])			
Postal receipts* $	22,896	— 17	— 34
Building permits, less federal contracts $	725,254	— 53	— 29
Employment (area)	391,200	**	+ 3
Manufacturing employment (area)	85,025	**	— 3
Percent unemployed (area)	3.0	— 3	— 35
GIDDINGS (pop. 2,532)			
Postal receipts* $	3,473	+ 31	+ 79
Bank debits (thousands) $	2.222	— 2	+ 12
End-of-month deposits (thousands)‡ $	3,630	+ 1	+ 4
Annual rate of deposit turnover	7.4	— 1	+ 7
GLADEWATER (pop. 6,281[r])			
Postal receipts* $	5,294	+ 5	+ 37
Bank debits (thousands) $	3,480	— 7	+ 4
End-of-month deposits (thousands)‡ $	4,444	+ 4	+ 5
Annual rate of deposit turnover	9.6	— 9	**
Employment (area)	27,750	+ 1	+ 4
Manufacturing employment (area)	4,890	+ 2	+ 13
Percent unemployed (area)	3.7	— 12	— 41
GRAND PRAIRIE (pop. 14,594)			
Postal receipts* $	20,259	+ 2	+ 50
Building permits, less federal contracts $	312,261	— 7	— 39
Employment (area)	391,200	**	+ 3
Manufacturing employment (area)	85,025	**	— 3
Percent unemployed (area)	3.0	— 3	— 35
GREENVILLE (pop. 20,034[r])			
Retail sales			
Apparel stores	**§	.....	+ 12
Lumber, building material, and hardware stores	+ 6§	— 12	— 23
Postal receipts* $	18,308	— 13	+ 57
Building permits, less federal contracts $	144,319	+ 19	+ 57
Bank debits (thousands) $	16,374	+ 10	+ 12
End-of-month deposits (thousands)‡ $	15,997	**	+ 5
Annual rate of deposit turnover	12.3	+ 9	+ 4
HENDERSON (pop. 11,606)			
Retail sales	+ 4§	+ 7	+ 18
Apparel stores	**§	+ 26	+ 5
Automotive stores	+ 8§	+ 8	+ 27
Furniture and household appliance stores	+ 15§	— 16	+ 5
Lumber, building material, and hardware stores	+ 6§	+ 10	+ 70
Postal receipts* $	10,570	+ 21	+ 48
Building permits, less federal contracts $	72,650	— 46	— 4
Bank debits (thousands) $	7,754	— 17	+ 11
End-of-month deposits (thousands) $	15,794	— 3	+ 6
Annual rate of deposit turnover	5.8	— 16	+ 4

City and item	May 1959	Percent Change: May 1959 from Apr 1959	Percent Change: May 1959 from May 1958
HARLINGEN (pop. 31,799[r])			
Postal receipts* $	29,191	— 11	+ 21
Building permits, less federal contracts $	311,152	+ 9	+ 8
Bank debits (thousands) $	34,114	+ 1	+ 3
End-of-month deposits (thousands)‡ $	25,144	— 2	+ 5
Annual rate of deposit turnover	16.1	+ 4	— 1
HEREFORD (pop. 7,500[r])			
Postal receipts* $	6,865	— 4	+ 6
Building permits, less federal contracts $	157,086	+198	+ 82
Bank debits (thousands) $	10,398	— 15	+ 8
End-of-month deposits (thousands)‡ $	9,923	— 9	+ 8
Annual rate of deposit turnover	12.0	— 8	+ 2
HOUSTON (pop. 700,508[u])			
Retail sales¶	+ 5§	+ 8	+ 6
Apparel stores¶	— 2§	+ 8	— 3
Automotive stores¶	+ 8§	+ 8	+ 33
Drug stores¶	+ 1§	+ 5	+ 5
Eating and drinking places¶	+ 3§	+ 2	**
Food stores¶	+ 2§	+ 5	— 8
Furniture and household appliance stores¶	+ 12§	— 11	**
Gasoline and service stations¶	+ 3§	— 3	— 8
General merchandise stores¶	+ 6§	+ 16	**
Lumber, building material and hardware stores¶	+ 14§	+ 3	+ 7
Other retail stores¶	+ 7§	+ 29	+ 18
Postal receipts* $	1,419,463	— 2	+ 34
Building permits, less federal contracts $	18,103,707	— 6	— 9
Bank debits (thousands) $	2,456,111	— 1	+ 8
End-of-month deposits (thousands)‡ $	1,232,729	— 1	+ 5
Annual rate of deposit turnover	23.8	**	+ 3
Employment (area)	481,600	+ 1	+ 5
Manufacturing employment (area)	94,900	**	+ 2
Percent unemployed (area)	4.3	— 9	— 37
IRVING (pop. 40,065[r])			
Postal receipts* $	18,892	+ 6	+ 41
Building permits, less federal contracts $	582,139	— 68	— 40
Employment (area)	391,200	**	+ 3
Manufacturing employment (area)	85,025	**	— 3
Percent unemployed (area)	3.0	— 3	— 35
JASPER (pop. 4,403)			
Retail sales			
Automotive stores	+ 8§	+ 19	+ 27
General merchandise stores	+ 5§	+ 18	+ 1
Postal receipts* $	6,243	+ 1	+ 37
Bank debits (thousands) $	7,492	+ 10	+ 12
End-of-month deposits (thousands)‡ $	7,767	— 3	+ 11
Annual rate of deposit turnover	11.4	+ 7	— 5
KILGORE (pop. 12,373[r])			
Postal receipts* $	12,563	+ 7	+ 35
Building permits, less federal contracts $	148,856	— 4	+ 48
Bank debits (thousands) $	14,909	— 4	+ 1
End-of-month deposits (thousands)‡ $	15,518	**	+ 12
Annual rate of deposit turnover	11.6	— 5	.....
Employment (area)	27,750	+ 1	+ 4
Manufacturing employment (area)	4,890	+ 2	+ 13
Percent unemployed (area)	3.7	— 12	— 41
KILLEEN (pop. 26,646[r])			
Postal receipts* $	21,118	— 13	— 3
Building permits, less federal contracts $	382,156	— 9	+ 5
Bank debits (thousands) $	8,794	**	+ 10
End-of-month deposits (thousands)‡ $	6,566	— 13	+ 1
Annual rate of deposit turnover	14.9	+ 3	+ 2

For explanation of symbols, see page 23.

LOCAL BUSINESS CONDITIONS

City and item	May 1959	Percent Change: May 1959 from Apr 1959	Percent Change: May 1959 from May 1958
LAMESA (pop. 13,813[r])			
Retail sales			
Automotive stores	+ 8§	+ 26	+ 59
Postal receipts* $	9,722	+ 18	+ 39
Building permits, less federal contracts $	635,540	+197	+667
Bank debits (thousands) $	12,795	— 2	+ 25
End-of-month deposits (thousands)‡ $	14,907	— 11	+ 10
Annual rate of deposit turnover	9.7	+ 9	+ 10
LAMPASAS (pop. 4,869)			
Postal receipts* $	3,717	+ 2	+ 5
Building permits, less federal contracts $	21,500	+115	+514
Bank debits (thousands) $	6,922	+ 9	+ 4
End-of-month deposits (thousands)‡ $	7,175	+ 3	+ 12
Annual rate of deposit turnover	11.7	+ 5	— 9
LAREDO (pop. 59,350[r])			
Postal receipts* $	27,365	— 3	+ 25
Building permits, less federal contracts $	157,150	+ 8	+ 19
Bank debits (thousands) $	29,729	+ 2	**
End-of-month deposits (thousands)‡ $	22,203	+ 2	+ 4
Annual rate of deposit turnover	16.2	+ 3	— 4
LONGVIEW (pop. 52,164[r])			
Postal receipts* $	36,829	— 20	+ 14
Building permits, less federal contracts $	525,100	— 54	— 66
Bank debits (thousands) $	42,500	— 1	+ 16
End-of-month deposits (thousands)‡ $	37,297	— 4	+ 6
Annual rate of deposit turnover	13.4	.....	+ 8
Employment (area)	27,750	+ 1	+ 4
Manufacturing employment (area)	4,890	+ 2	+ 13
Percent unemployed (area)	3.7	— 12	— 41
LUBBOCK (pop. 148,725[r])			
Retail sales	+ 4§	+ 9	+ 22
Furniture and household appliance stores	+ 15§	+ 13	+ 28
Postal receipts* $	137,052	+ 6	+ 34
Building permits, less federal contracts $	7,502,566	+ 96	+ 99
Bank debits (thousands) $	176,846	— 4	+ 26
End-of-month deposits (thousands)‡ $	109,815	— 5	+ 9
Annual rate of deposit turnover	18.8	+ 2	+ 15
Employment (area)	50,500	+ 1	+ 6
Manufacturing employment (area)	5,350	— 1	+ 10
Percent unemployed (area)	4.1	— 2	— 18
LUFKIN (pop. 20,846[r])			
Postal receipts* $	19,223	+ 13	+ 40
Building permits, less federal contracts $	273,005	+ 22	+ 6
Bank debits (thousands) $	23,161	+ 1	+ 5
End-of-month deposits (thousands)‡ $	24,488	+ 4	+ 1
Annual rate of deposit turnover	11.5	— 3	+ 6
McALLEN (pop. 25,326[r])			
Postal receipts* $	22,138	— 4	+ 27
Building permits, less federal contracts $	559,858	+ 51	— 46
Bank debits (thousands) $	28,907	+ 32	+ 20
End-of-month deposits (thousands)‡ $	20,117	— 18	— 12
Annual rate of deposit turnover	15.5	+ 35	+ 22
McKINNEY (pop. 16,653[r])			
Building permits, less federal contracts $	125,675	+ 23	— 67
Bank debits (thousands) $	8,243	— 8	.....
End-of-month deposits (thousands)‡ $	11,997	— 1	.....
Annual rate of deposit turnover	8.2	— 5	.....
MARSHALL (pop. 25,479[r])			
Postal receipts* $	21,297	+ 13	+ 14
Building permits, less federal contracts $	82,529	— 81	— 76
Bank debits (thousands) $	16,000	— 2	+ 11
End-of-month deposits (thousands)‡ $	21,319	+ 2	+ 5
Annual rate of deposit turnover	9.1	— 8	.....
MIDLAND (pop. 54,288[r])			
Postal receipts $	77,145	+ 2	+ 32
Building permits, less federal contracts $	3,516,500	— 25	— 16
Bank debits (thousands) $	87,182	— 7	+ 11
End-of-month deposits (thousands)‡ $	87,744	+ 2	+ 6
Annual rate of deposit turnover	12.0	— 8	.....
MONAHANS (pop. 10,183[r])			
Postal receipts* $	7,423	+ 4	+ 23
Building permits, less federal contracts $	109,600	— 36	— 65
Bank debits (thousands) $	9,790	— 5	+ 11
End-of-month deposits (thousands)‡ $	7,427	— 4	+ 4
Annual rate of deposit turnover	15.5	— 2	+ 7
NACOGDOCHES (pop. 14,770[r])			
Postal receipts* $	13,711	+ 19	+ 68
Building permits, less federal contracts $	55,280	— 50	+ 12
Bank debits (thousands) $	13,714	— 7	+ 8
End-of-month deposits (thousands)‡ $	14,179	— 1	— 3
Annual rate of deposit turnover	11.5	— 5	+ 8
NEW BRAUNFELS (pop. 12,210)			
Postal receipts* $	16,914	+ 8	+ 29
Building permits, less federal contracts $	93,755	— 14	— 17
Bank debits (thousands) $	9,598	— 14	+ 11
End-of-month deposits (thousands)‡ $	11,907	+ 9	+ 27
Annual rate of deposit turnover	10.1	— 11	— 6
ODESSA (pop. 87,521[r])			
Retail sales			
Furniture and household appliance stores	+ 15§	+ 3	— 22
Postal receipts* $	64,490	+ 3	+ 35
Building permits, less federal contracts $	1,771,167	— 35	— 29
Bank debits (thousands) $	76,371	— 3	+ 25
End-of-month deposits (thousands)‡ $	60,939	— 4	+ 14
Annual rate of deposit turnover	14.7	— 1	.....
No. Rigs Operating in Ector County	33	— 33	— 25
No. Rigs Operating in Permian Basin	387	— 24	+ 25
ORANGE (pop. 31,556[r])			
Postal receipts* $	18,661	— 11	+ 25
Bank debits (thousands) $	21,644	+ 1	— 1
End-of-month deposits (thousands)‡ $	26,987	+ 27	+ 27
Annual rate of deposit turnover	10.8	— 12	— 11
PALESTINE (pop. 15,063[r])			
Postal receipts* $	10,981	+ 12	+ 39
Building permits, less federal contracts $	90,325	+ 22	**
Bank debits (thousands) $	9,247	+ 6	+ 4
End-of-month deposits (thousands)‡ $	13,451	— 5	+ 2
Annual rate of deposit turnover	8.1	+ 9	**
PARIS (pop. 24,551[r])			
Retail sales			
Apparel stores	**§	— 1	+ 1
Lumber, building material, and hardware stores	+ 6§	+ 4	— 13
Postal receipts* $	16,171	— 9	+ 11
Building permits, less federal contracts $	221,832	— 35	— 42
Bank debits (thousands) $	14,570	— 9	+ 7
End-of-month deposits (thousands)‡ $	12,859	— 2	+ 2
Annual rate of deposit turnover	13.5	— 6	.....
PASADENA (pop. 58,928[r])			
Postal receipts* $	32,172	— 3	+ 27
Building permits, less federal contracts $	1,307,440	+ 16	— 9
Employment (area)	481,600	+ 1	+ 5
Manufacturing employment (area)	94,900	**	+ 2
Percent unemployed (area)	4.3	— 9	— 37

For explanation of symbols, see page 23.

LOCAL BUSINESS CONDITIONS

City and item	May 1959	Percent Change: May 1959 from Apr 1959	Percent Change: May 1959 from May 1958
PHARR (pop. 8,690)			
Postal receipts*	$ 4,370	— 17	— 8
Bank debits (thousands)	$ 4,755	+ 8	+ 17
End-of-month deposits (thousands)‡	$ 4,648	+ 2	+ 12
Annual rate of deposit turnover	12.4	+ 8	+ 5
PLAINVIEW (pop. 21,106[r])			
Retail sales	+ 4§	**	+ 16
Apparel stores	**§	+ 15	+ 2
Postal receipts*	$ 15,495	— 9	+ 27
Building permits, less federal contracts	$ 131,200	— 80	+ 15
Bank debits (thousands)	$ 22,953	— 8	+ 21
End-of-month deposits (thousands)‡	$ 23,083	— 7	+ 12
Annual rate of deposit turnover	11.5	.....	.....
PORT ARTHUR (pop. 82,150[u])			
Retail sales	+ 4§	— 3	+ 2
Apparel stores	**§	+ 41	+ 3
Automotive stores	+ 8§	— 19	+ 4
Eating and drinking places	+ 4§	— 35	— 17
Food stores	+ 2§	+ 7	— 1
Furniture and household appliance stores	+ 15§	+ 22	+ 1
Lumber, building material, and hardware stores	+ 6§	— 11	**
Postal receipts*	$ 42,700	— 18	+ 27
Building permits, less federal contracts	$ 370,719	— 18	— 50
Bank debits (thousands)	$ 64,864	+ 1	— 3
End-of-month deposits (thousands)‡	$ 43,183	— 7	— 1
Annual rate or deposit turnover	17.4	+ 3	— 5
Employment (area)	89,100	+ 2	— 3
Manufacturing employment (area)	28,070	+ 5	**
Percent unemployed (area)	9.6	— 8	— 1
RAYMONDVILLE (pop. 9,136)			
Postal receipts*	$ 5,150	+ 8	+ 26
Building permits, less federal contracts	$ 21,075	+ 17	+335
Bank debits (thousands)	$ 6,260	+ 10	.....
End-of-month deposits (thousands)‡	$ 6,955	+ 1	.....
Annual rate of deposit turnover	10.8	+ 13	.....
ROCKDALE (pop. 6,400[r])			
Postal receipts*	$ 3,604	+ 2	+ 36
Building permits, less federal contracts	$ 43,775	+421	+ 19
Bank debits (thousands)	$ 3,681	+ 8	+ 9
End-of-month deposits (thousands)‡	$ 5,420	+ 4	+ 38
Annual rate of deposit turnover	8.3	+ 5	— 6
SAN ANGELO (pop. 62,359[r])			
Postal receipts*	$ 59,987	— 9	+ 31
Building permits, less federal contracts	$ 352,487	— 35	+ 17
Bank debits (thousands)	$ 49,187	— 12	**
End-of-month deposits (thousands)‡	$ 45,487	+ 1	+ 17
Annual rate of deposit turnover	13.0	— 10	— 13
Employment (area)	22,800	+ 1	**
Manufacturing employment (area)	3,150	+ 2	+ 2
Percent unemployed (area)	4.2	— 18	— 47
SAN MARCOS (pop. 14,300[r])			
Postal receipts*	$ 9,425	+ 18	+ 28
Building permits, less federal contracts	$ 557,971	+3843	+1402
Bank debits (thousands)	$ 8,322	+ 13	+ 17
End-of-month deposits (thousands)‡	$ 9,244	+ 6	+ 19
Annual rate of deposit turnover	11.1	+ 11	+ 3
SEGUIN (pop. 14,000[r])			
Postal receipts*	$ 9,154	— 7	.....
Building permits, less federal contracts	$ 85,775	+211	— 77
Bank debits (thousands)	$ 9,154	— 19	+ 13
End-of-month deposits (thousands)‡	$ 13,616	— 3	— 6
Annual rate of deposit turnover	8.0	— 13	+ 19
SAN ANTONIO (pop. 555,000[r])			
Retail sales	+ 4§	+ 11	+ 6
Apparel stores	— 6§	+11	+ 2
Automotive stores	+ 14§	+ 13	+ 27
Drug stores	+ 4§	+ 13	+ 8
Eating and drinking places	+ 1§	+ 12	+ 4
Food stores	**§	+ 3	— 6
Furniture and household appliance stores	+ 21§	+ 24	+ 27
Gasoline and service stations	+ 8§	+ 4	+ 3
General merchandise stores	+ 13§	+ 15	— 2
Jewelry stores	na§	+ 84	+ 6
Lumber, building material, and hardware stores	+ 1§	+ 20	+ 11
Postal receipts*	$ 640,108	+ 5	+ 29
Building permits, less federal contracts	$ 4,653,178	— 33	— 10
Bank debits (thousands)	$ 593,893	— 3	+ 7
End-of-month deposits (thousands)‡	$ 393,551	**	+ 6
Annual rate of deposit turnover	18.1	— 3	— 3
Employment (area)	201,300	**	+ 3
Manufacturing employment (area)	24,925	+ 1	+ 4
Percent unemployed (area)	3.1	— 6	— 26
SHERMAN (pop. 31,269[r])			
Retail sales			
Apparel stores	**§	+ 15	— 5
Lumber, building material, and hardware stores	+ 6§	+ 16	— 29
Postal receipts*	$ 26,511	— 7	+ 25
Building permits, less federal contracts	$ 1,045,592	+314	+ 26
Bank debits (thousands)	$ 23,530	— 6	+ 7
End-of-month deposits (thousands)‡	$ 17,254	— 5	+ 2
Annual rate of deposit turnover	15.9	.....	.....
SLATON (pop. 6,351[r])			
Postal receipts*	$ 3,214	+ 14	+ 47
Building permits, less federal contracts	$ 91,650	+ 33	+465
Bank debits (thousands)	$ 2,816	**	.....
End-of-month deposits (thousands)‡	$ 4,231	— 5	.....
Annual rate of deposit turnover	7.8	+ 5	.....
Employment (area)	50,500	+ 1	+ 6
Manufacturing employment (area)	5,350	— 1	+ 10
Percent unemployed (area)	4.1	— 2	— 18
SMITHVILLE (pop. 3,373[r])			
Building permits, less federal contracts	$ 24,100	+ 28	+589
Bank debits (thousands)	$ 1,081	— 8	+ 21
End-of-month deposits (thousands)‡	$ 2,348	— 1	+ 6
Annual rate of deposit turnover	5.5	— 5	.....
SULPHUR SPRINGS (pop. 9,890[r])			
Postal receipts*	$ 7,578	— 14	+ 9
Building permits, less federal contracts	$ 75,235	.....	+ 73
Bank debits (thousands)	$ 9,498	+ 3	+ 15
End-of-month deposits (thousands)‡	$ 12,041	+ 1	+ 3
Annual rate of deposit turnover	9.5	+ 3	+ 12
SWEETWATER (pop. 13,619)			
Postal receipts*	$ 10,525	— 10	+ 12
Building permits, less federal contracts	$ 48,075	— 89	— 17
Bank debits (thousands)	$ 11,053	— 3	+ 8
End-of-month deposits (thousands)‡	$ 11,795	— 2	+ 11
Annual rate of deposit turnover	11.1	— 4	— 3
TAYLOR (pop. 9,071)			
Retail sales			
Automotive stores	+ 8§	+ 2	+ 14
Postal receipts*	$ 8,101	— 11	+ 25
Building permits, less federal contracts	$ 83,047	+ 76	+114
Bank debits (thousands)	$ 6,188	— 8	— 6
End-of-month deposits (thousands)‡	$ 12,303	**	+ 24
Annual rate of deposit turnover	6.0	— 6	— 23

For explanation of symbols, see page 23.

LOCAL BUSINESS CONDITIONS

City and item	May 1959	Percent Change: May 1959 from Apr 1959	Percent Change: May 1959 from May 1958
TEMPLE (pop. 33,912[r])			
Retail sales	+ 4§	+ 4	— 1
Apparel stores	**§	+ 26	— 2
Drug stores	+ 2§	+ 16	— 2
Furniture and household appliance stores	+ 15§	— 2	— 20
Lumber, building material, and hardware stores	+ 6§	+ 45	+ 21
Postal receipts* $	30,191	— 5	+ 22
Building permits, less federal contracts $	281,360	— 16	— 8
Bank debits (thousands) $	18,187	— 18	— 6
End-of-month deposits (thousands)‡ $	25,731	— 5	— 14
Annual rate of deposit turnover	8.2	— 17	+ 6
TEXARKANA (pop. 50,784[r])			
Retail sales	+ 4§	+ 9	+ 23
Apparel stores	**§	+ 25	— 3
Automotive stores	+ 8§	+ 2	+ 31
Furniture and household appliance stores	+ 15§	+ 38	+ 12
Postal receipts*† $	45,817	— 1	+ 35
Building permits, less federal contracts $	120,130	— 74	+ 3
Bank debits (thousands) $	46,944	+ 2	+ 18
End-of-month deposits (thousands)‡† $	16,255	+ 1	+ 2
Annual rate of deposit turnover	16.2	+ 4	+ 9
Employment (area)	29,000	**	+ 2
Manufacturing employment (area)	3,600	+ 3	+ 2
Percent unemployed (area)	6.5	— 12	— 41
TEXAS CITY (pop. 30,000[r])			
Retail sales			
Lumber, building material, and hardware stores	+ 6§	— 2	+ 38
Postal receipts* $	20,562	— 3	+ 35
Building permits, less federal contracts $	443,625	— 1	— 39
Bank debits (thousands) $	21,726	— 4	+ 1
End-of-month deposits (thousands)‡ $	12,018	+ 2	— 13
Annual rate of deposit turnover	22.7	+ 2	....
Employment (area)	50,000	+ 1	+ 3
Manufacturing employment (area)	10,870	**	— 3
Percent unemployed (area)	7.5	— 4	— 6
TYLER (pop. 49,443)			
Retail sales			
Automotive stores	+ 8§	+ 24	— 4
Postal receipts $	72,536	— 35	+ 4
Building permits, less federal contracts $	1,392,630	+138	— 7
Bank debits (thousands) $	86,694	— 1	+ 14
End-of-months deposits (thousands)‡ $	61,744	**	+ 2
Annual rate of deposit turnover	16.9	+ 1	+ 12
VERNON (pop. 12,684[r])			
Postal receipts* $	8,269	— 6	+ 10
Building permits, less federal contracts $	51,300	— 87	— 30
Bank debits (thousands) $	11,588	— 8	+ 18
End-of-month deposits (thousands)‡ $	18,910	— 3	+ 3
Annual rate of deposit turnover	7.3	— 4	+ 14
VICTORIA (pop. 44,188[r])			
Retail sales	+ 4§	+ 14	+ 13
Apparel stores	**§	+ 10	— 3
Automotive stores	+ 8§	+ 16	+ 29
Food stores	+ 2§	+ 11	+ 4
Furniture and household appliance stores	+ 15§	+ 6	+ 10
Gasoline and service stations	+ 3§	+ 11	— 3
Lumber, building material, and hardware stores	+ 6§	+ 24	+ 4
Postal receipts* $	28,510	— 5	+ 23
Building permits, less federal contracts $	205,885	— 17	— 14
WACO (pop. 101,824[r])			
Retail sales	+ 4§	+ 23	+ 17
Apparel stores	**§	+ 3	— 10
Automotive stores	+ 8§	+ 16	+ 34
Florists	na§	+ 51	+ 15
Furniture and household appliance stores	+ 15§	+ 25	+ 24
General merchandise stores	+ 5§	+ 37	+ 13
Postal receipts* $	146,025	— 3	+ 24
Building permits, less federal contracts $	3,403,750	+140	+211
Bank debits (thousands) $	108,994	— 1	+ 15
End-of-month deposits (thousands)‡ $	67,882	— 3	+ 2
Annual rate of deposit turnover	19.0	+ 1	+ 10
Employment (area)	47,500	+ 1	+ 4
Manufacturing employment (area)	10,210	+ 1	+ 7
Percent unemployed (area)	4.6	— 13	— 26
WICHITA FALLS (pop. 103,152[r])			
Retail sales	+ 4§	+ 17	+ 10
Automotive stores	+ 8§	+ 16	+ 13
Lumber, building material, and hardware stores	+ 6§	+ 20	+ 17
Postal receipts* $	106,130	— 4	+ 44
Building permits, less federal contracts $	1,294,456	+ 89	+149
Bank debits (thousands) $	119,426	+ 2	+ 24
End-of-month deposits (thousands)‡ $	102,422	**	+ 1
Annual rate of deposit turnover	13.9	+ 2	+ 23
Employment (area)	40,500	**	+ 5
Manufacturing employment (area)	3,620	— 1	+ 3
Percent unemployed (area)	3.8	— 14	— 46

§ Normal seasonal change from April to May.

* For the period May 2–May 29.

¶ Reported by the Bureau of Business and Economic Research, University of Houston, for Harris County.

‡ Money on deposit at the end of the month, but excludes deposits to the credit of banks.

[r] Revised for use by the Texas Highway Department.

[u] 1950 Urbanized Census.

** Change is less than one-half of one percent.

† Figures are for Texarkana, Texas (pop. 31,051) only.

BAROMETERS OF TEXAS BUSINESS

	May 1959	Apr 1959	May 1958	Year-to-date average 1959	Year-to-date average 1958
GENERAL BUSINESS ACTIVITY					
†Texas business activity, index	216	216	197	212	194
Miscellaneous freight carloading in SW District, index	88	87	77	83	77
Ordinary life insurance sales, index	393	398	346	398	358
Wholesale prices in U.S., unadjusted index	119.8	120.0	119.5	119.7	119.3
‡Consumers' prices in Houston, unadjusted index	124.1	.....	123.7	124.1	123.0
Consumers' prices in U.S., unadjusted	124.0	123.9	123.6	123.8	123.0
Income payments to individuals in U.S. (billions, at seasonally adjusted annual rate)	$ 376.2*	$ 373.2	$ 349.9	$ 369.5	$ 349.2
Business failures (number)	36	34	31	34	37
TRADE					
Total retail sales, index	220*	212r	214	.....	.....
Durable-goods stores	184*	183r	155	.....	.....
Nondurable-goods stores	240*	227r	245	.....	.....
Ratio of credit sales to net sales in department and apparel stores	67.5*	69.4*	67.8r	68.3*	68.0r
Ratio of collections to outstandings in department and apparel stores	35.5*	34.9*	36.5r	36.4*	36.8r
PRODUCTION					
Total electric power consumption, index	376*	364*	315	356*	317
Industrial electric power consumption, index	395*	386*	321	371*	330
Crude oil production, index	127*	120	98	123	107
Crude oil runs to stills, index	155	148	127	149	131
Gasoline consumption, index	.....	179	180	.....	174
Natural gas production, index	.....	196	182	.....	182
Industrial production in U.S., index	153	149	128	147	129
Southern pine production, index	87	89	100	83	96
Cottonseed crushed, index	203	186	187	171	154
Construction authorized, index	242*	252*	235	238*	208
Residential building	256*	301*	258	282*	230
Nonresidential building	244*	202*	224	192*	185
Cement production, index	227	216	196	203	165
Cement consumption, index	198	199	179	199	159
Cement shipments, index	206	212	188	207	164
AGRICULTURE					
Prices received by farmers, unadjusted index, 1909–14 = 100	278	288	277	283	272
Prices paid by farmers in U.S., unadjusted index, 1909–14 = 100	299	299	295	298	293
Ratio of Texas farm prices received to U.S. prices paid by farmers	93	96	94	95	93
FINANCE					
Bank debits, index	259	259	235	253	231
Bank debits, U.S., index	225	236	203	223	205
Reporting member banks, Dallas Reserve District:					
§Loans (millions)	$ 2,798	$ 2,793	$ 2,535	$ 2,765	$ 2,515
§Loans and investments (millions)	$ 4,488	$ 4,502	$ 4,241	$ 4,510	$ 4,061
Adjusted demand deposits (millions)	$ 2,686	$ 2,810	$ 2,669	$ 2,784	$ 2,636
Revenue receipts of the State Comptroller (thousands)	$134,114	$131,250	$112,716	$105,842	$ 94,508
Federal Internal Revenue collections (thousands)	$335,212	$276,324	$298,595	$276,099	$274,194
LABOR					
Total nonagricultural employment (thousands)	2,437.7*	2,421.4	2,386.5	2,414.1	2,380.1
Total manufacturing employment (thousands)	484.2*	481.8	472.2	479.5	480.3
Durable-goods employment (thousands)	232.4*	230.8	223.5	229.4	229.8
Nondurable-goods employment (thousands)	251.8*	251.0	248.7	250.1	250.5
Total civilian labor force in 17 labor market areas (thousands)	2,083.3	2,077.7	.....	2,076.4	.....
Employment in 17 labor market areas (thousands)	1,932.1	1,921.2	1,788.9	1,911.2	1,789.9
Manufacturing employment in 17 labor market areas (thousands)	366.3	363.7	352.9	361.7	357.9
Total unemployment in 17 labor market areas (thousands)	88.9	96.6	121.4	105.7	119.1
Percent of labor force unemployed in 17 labor market areas	4.6	4.6	.....	5.1	.....

All figures are for Texas unless otherwise indicated. All indexes are based on the average months for 1947–49, except where indicated; all are adjusted for seasonal variation, except annual indexes.

Employment estimates have been adjustem to first quarter 1956 benchmarks.

* Preliminary.

† Based on bank debits in 20 cities, adjusted for price level.

‡ Index computed for February, May, August, and November only.

§ Exclusice of loans to banks after deduction of valuation reserves.